

ANNUAL BUDGET

2013/2016

CHIEF ALBERT LUTHULI MUNICIPALITY



Chief Albert Luthuli

Municipality

Vision

A transparent, innovative and developmental municipality that improves the quality of life of its people.

Mission

To provide a transparent and accountable government by rendering affordable and sustainable services; and encouraging economic and social development through community participation.

Core Values and Principles

- The municipality is driven by the aspirations of the people; we will respect and uphold the Constitution of the Republic of South Africa.
- The municipality commits itself to the Code of Conduct for Councillors and Officials contained in the Municipal Systems Act, 2000.

- The municipality commits itself to the principles of sound financial management
- The municipality subscribes to the principles of Batho Pele: Consultation, Service Standards, Access, Courtesy, Information, Openness and transparency, Redress and Value for Money.
- The municipality subscribes to Cooperative Governance. As a partner in governance we will promote and constructively participate in Regional, Provincial and National programmes.

Table of Contents

Abbreviation of funding sources.....	6
Functional Codes.....	7
PART 1	9
Report by the Executive Mayor	9
Schedule 1 – Draft Resolution on approval of the Annual Budget	Error! Bookmark not defined.
Executive Summary.....	12
Table A1 – Budget Summary.....	17
Table A2 – Budgeted financial performance by vote.....	17
Table A2A – Detail budgeted financial performance by vote.....	19
Table A3 - Budgeted financial performance by municipal vote.....	21
Table A4 – Budgeted financial performance by revenue source & expenditure type	22
Chart 1 – Revenue by major source.....	Error! Bookmark not defined.
Chart 2 – Other revenue	Error! Bookmark not defined.
Chart 3 – Operating expenditure by type	Error! Bookmark not defined.
Chart 4 – Operating Expenditure by municipal vote	Error! Bookmark not defined.
Chart 5 –Operating expenditure by standard classification	Error! Bookmark not defined.
Table A5 – Budgeted capital expenditure by vote.....	30
Chart 6 – Capital expenditure by main vote	Error! Bookmark not defined.
Chart 7 – Other capital expenditure	Error! Bookmark not defined.
Chart 8 – Capital funding by source.....	Error! Bookmark not defined.
Table A6 – Budgeted financial position	35
Table A7 – Budgeted cash flow.....	36
Table A8 – Cash back reserves / accumulated surplus reconciliation	37
Table A9 – Asset management	39

Chart 9 – Capital expenditure by standard classification	Error! Bookmark not defined.
Table A10 – Basic Service Delivery Measurement.....	42
PART 2	45
Overview of the budget process	45
Table SA1 – Supporting detail to budgeted financial performance.....	52
Table SA2 – Matrix financial performance – revenue source & expenditure type	54
Table SA3 – Supporting detail to budgeted financial position	55
Table SA4 – Reconciliation of IDP strategic objectives and revenue	56
Table SA5 – Reconciliation of IDP strategic objectives and operating expenditure	57
Table SA6 – Reconciliation of IDP strategic objectives and capital expenditure	58
Table SA8 – Performance indicators and benchmarks	59
Table SA9 – Social, economic and demographic statistic assumptions.....	60
Table SA10 – Funding measurement	61
Table SA14 – Household bills	62
Table SA15 – Investment particulars by type	63
Table SA16 – Investment particulars by maturity.....	64
Table SA17 – Borrowing.....	65
Table SA18 – Transfer and grant receipts.....	67
Table SA19 – Expenditure on transfers and grant programme	68
Table SA20 – Reconciliation of transfers, grant receipts and unspent funds.....	69
Table SA21 – Transfers and grants made.....	70
Table SA22 – Summary councillor and staff benefits	72
Table SA23 – Salaries, allowances and benefits – councillors and senior managers	75
Table SA24 – Summary of personnel numbers.....	76
Table SA25 – Budget monthly revenue and expenditure.....	78
Table SA26 - Budget monthly revenue and expenditure (municipal vote)	81
Table SA27 – Budget monthly revenue and expenditure by classification	82
Table SA28 - Budgeted monthly capital expenditure (municipal vote)	84
Table SA29 – Budgeted monthly capital expenditure	85
Table SA30 – Budgeted monthly cash flow.....	87
Table SA32 – List of external mechanism	91
Table SA33 – Contracts having future budgetary implications.....	95
Table SA34a – Capital expenditure on new assets	99
Table SA34b – Capital expenditure on existing assets.....	100

Table SA34c – Repairs and maintenance by asset class	Error! Bookmark not defined.
Table SA36 – Detailed capital budget by programme	Error! Bookmark not defined.
Schedule 2 – Proposed Tariffs.....	105
Schedule 3 – Proposed Sundry Tariffs	Error! Bookmark not defined.
Schedule 4 – Personnel Budget	Error! Bookmark not defined.
Schedule 5 – Budget Related Policies	122
Tariff Policy	122
Rates Policy	Error! Bookmark not defined.
Credit Control and Debt Collection Policy	151
Cash Management and Investment Policy	181
Funding and Reserves Policy.....	217
Long-term Financial Planning Policy	222
Indigent Policy.....	224
Free Basic Services Policy.....	Error! Bookmark not defined.
Budget Policy.....	299
Water and Electricity Management Policy	324
Overtime Policy.....	330
PART 3	Error! Bookmark not defined.
Planning and Economic Development – Executive summary, operating and capital budget	Error! Bookmark not defined.
Corporate Services – Executive summary, operating and capital budget	Error! Bookmark not defined.
Community Services – Executive summary, operating and capital budget.....	Error! Bookmark not defined.
Finance – Executive summary, operating and capital budget	Error! Bookmark not defined.
Public Safety – Executive summary, operating and capital budget.....	Error! Bookmark not defined.
Technical Services – Executive summary, operating and capital budget	Error! Bookmark not defined.
Internal Audit – Executive summary, operating and capital budget ...	Error! Bookmark not defined.
Council General – Executive summary, operating and capital budget	Error! Bookmark not defined.

Abbreviation of funding sources

CFR (RO) – Capital Facilities Reserve (Roll Over)

CRR- Capital Replacement Reserve

CRR (Ad hoc) – Capital Replacement Reserve (Ad hoc)

CRR (RO) –Capital Replacement Reserve (Roll over)

CRR (Services) – Capital Replacement Reserve (Services)

CTC – Cleanest Town Competition

DAC- Department of Art and Culture

EFF – External Financing Fund

EFF (Ad hoc) - External Financing Fund (Ad hoc)

EFF (CF) – External Financing Fund (counter funding)

EFF (Inyanda) – External Financing Fund (Inyanda)

EFF (RO) – External Financing Fund (Roll over)

EPW – Expanded Public Works Programme

FMG – Finance Management Grant

INEP – Integrated National Electricity Program

INSURANCE- Insurance Fund

MIG –Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

CALM- Chief Albert Luthuli Municipality

CALM (Ad hoc) – Chief Albert Luthuli Municipality (Ad Hoc)

ALM (RO) – Chief Albert Luthuli Municipality (Roll over)

NLDTF – National Lottery Distribution Fund

NPAG – New Phased Approached Grant

Functional Codes

PART 1

ANNUAL BUDGET

PART 1

Report by the Executive Mayor

ON THE TABLED ANNUAL BUDGET FOR THE 2013/2014; 2014/2015 & 2015/2016 FINANCIAL YEARS

The tabled budget herewith presented provides for total operating revenue of R251,4-million for 2013/2014 financial year, R265,1-million for the 2014/2015 financial year and R279,4-million for the 2015/2016 financial years. This reflects an increase of 7,2 % in operating revenue in 2013/14 financial year

The President in his State of Nation Address mentioned that on the 15 of August last year, the National Planning Commission handed over the National Development Plan (NDP), the vision of the country for the next 20 years. The NDP contains proposals for tackling the problems of poverty, inequality and unemployment. It is a roadmap to a South Africa where all will have water, electricity, sanitation, jobs, housing, public transport, adequate nutrition, education, social protection, quality healthcare, recreation and a clean environment. Chief Albert Luthuli Municipality will ensure that we objectives to alleviate poverty, inequality and unemployment is achieved.

Chief Albert Luthuli Municipality will be contributing R77 million for infrastructure development from Municipal Infrastructure Grant allocated in terms of Division of Revenue Act (DoRA). We will continue to extend access to basic water supply to our residents within Chief Albert Luthuli municipality. However, clearly, water access is still a challenge in some areas, the municipality is using water tankers as a short term solution. More funds were allocated to the provision of water projects in the 2013/14 financial year.

The municipality implemented incline block tariff as per Nersa guidelines in the 2012/2013 financial year. The municipality embark on the energy saving projects that will be completed in the 2012/2013 financial year.

As a result of the community participation through the Integrated Development Plan process plan that was approved in August 2012 the annual budget is herewith tabled for adoption for consultation.

The challenge for the municipality is to do more within its existing resources by reprioritizing money from low-priority programmes to high-priority programmes. Municipalities play a critical role in furthering government objective of providing services to all while facilitating local economic development.

It is important that the financial position of the municipality remains sustainable over the medium term facing the current constraints.

In terms of the Division of Revenue the equitable share increases to R164,7-million for the 2013/2014 financial year and is projected to increase to R180,3-million in the 2014/2015 and projected to increase to R209,9-million in the 2015/2016 financial year. Capital transfers increase to R77,5-million and are projected to increase to R86,9-million in the 2015/2016 financial year.

To assist our communities to alleviate poverty, inequality and unemployment the following social packages are included in the budget for households:

Free Basic Water – 6kl per month for every households
Free Basic Electricity - 50kWh per month for registered indigents
50% Discount Sanitation Services for registered indigents
50% Discount on Refuse Removal Services for registered indigents

The tabled budget herewith presented provides for total operating revenue of R247,5-million for 2013/2014 financial year, R260,9-million for the 2014/2015 financial year and R274,9-million for the 2015/2016 financial year. The bulk of the revenue is derived from user charges for services and property rates of which property rates are the main contributing.

The main expenditure are as follows:

- Employee related costs including payment Councilors allowance amount to 39,1% of the total operating expenditure.
- Bulk purchases amount to 16% of the total operating expenditure.

Departmental capital allocations as per the basic service delivery is as follows:

- R18,2-million for electricity services
- R84,8-million for water services
- R8,8-million for sewerage services
- R10,9-million for roads services
- R8,5-million for refuse removal services

The executive summary and supporting documents in the tabled budget document contain more details regarding the contents of the budgeted provisions.

In compliance with section 22(b)(i) of the MFMA, the tabled budget must be submitted to National Treasury and Provincial Treasury.

It is recommended by the Executive Mayor:

DRAFT RESOLUTION ON THE APPROVAL OF THE ANNUAL BUDGET FOR CAPITAL AND OPERATING EXPENDITURE FOR THE 2013/2014, 2014/2015 AND 2015/2016 FINANCIAL YEARS

RECOMMENDED TO RESOLVE

1. **THAT** the multi-year annual budget of capital and operating expenditure for 2013/2014 and the indicated two outer years of 2014/2015 and 2015/2016 tabled for approval as set out by the following tables:
 - 1.1. Table A1 : Budget summary
 - 1.2. Table A2 : Budgeted financial performance
 - 1.3. Table A3: Budgeted financial performance (municipal vote)
 - 1.4. Table A4 : Budget financial performance by revenue source and expenditure type
 - 1.5. Table A5 : Budgeted capital expenditure by vote
 - 1.6. Table A6 : Budgeted financial position
 - 1.7. Table A7 : Budgeted cash flows
 - 1.8. Table A8 : Cash backed reserves / accumulate surplus reconciliation
 - 1.9. Table A9 : Asset management
 - 1.10 Table A10 : Basic Service Delivery Measurement
2. **THAT** in terms of Section 75A of the Local Government Municipal Systems Act, Act 32 of 2000, interest be recovered on amounts outstanding for periods longer than thirty (30) days on all debtor accounts at a rate equal to the prime rate from SARB plus 1% as per the Credit Control and Debt collection policy from time to time.
3. **THAT** the proposed electricity budget with tariffs be implemented once approved by NERSA.
4. **THAT** the adjusted sundry tariffs, Value Added Tax inclusive, as reflected in the comments of the various Heads of Departments under Schedule 3 be approved for implementation with effect from 1 July 2013.
5. **THAT** the following policies as amended be implemented from 1 July 2013:
 - 5.1. Indigent policy
 - 5.2. Credit Control and Debt Collection Policy
 - 5.3. Subsistence & Travel Policy

6. **THAT** the measurable performance objectives for revenue from each source as per Table A4 be approved for the 2013/2014 budget year.
7. **THAT** the tabled budget accordingly be submitted to the Mpumalanga Department of Finance and National Treasury in the formats as prescribed.

Executive Summary

EXECUTIVE SUMMARY ON THE 2013/14 TO 2015/16 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) TABLE ANNUAL BUDGET

1. Report by the Chief Financial Officer

In terms of circular 62 Municipalities will have to revise their spending plans and reprioritise funds to ensure key objectives are achieved and well-performing programmes are supported. Expenditure plans need to reflect both the medium-term investment plans and long-term goals identified in the National Development Plan. Over the next three years, government, as a whole, will have to learn to do more with less. The efficiencies that are achieved will protect public finances and enable the country to accelerate development when economic conditions improve. Local government must ensure that efficiency gains, eradication of non-priority spending and the reprioritisation of expenditure relating to core infrastructure inform the next planning framework of all municipalities.

The Minister of Finance mentioned that an expansion in infrastructure investment is one of the central priorities of the 2012 Budget. Special emphasis is given to improving competitiveness in industry, investment in technology, encouragement of enterprise development and support for agriculture

Chief Albert Luthuli Municipality pay attention to the:

- Revenue management – To ensure the collection of revenues, municipalities need to ensure that billing systems are accurate, send out accounts to residents and follow up to collect revenues owed. The Council is currently investing in data cleansing exercise to ensure that accounts reach the consumers on time. We plan to increase revenue collection from an average of 50% to 75% in the 2013/2014 financial year.

- Collecting outstanding debts – This requires political commitment, sufficient administrative capacity, and pricing policies that ensure that bills are accurate and affordable, especially for poor households. We had appointed the service provider to assist the municipality to recover outstanding debt. The current debt is above R270 million, so it is crucial that we recover the debt so that the municipality can address the backlog issues on infrastructure and attend to the maintenance of the decaying infrastructure assets.
- Pricing services correctly – The full cost of services should be reflected in the price charged to residents who can afford to pay. Many municipalities offer overly generous subsidies and rebates that result in services being run at a loss, resulting in funds being diverted away from other priorities.
- Electricity Losses- Municipality will focus on Electricity losses such as theft of electricity and meter tampering and inadequate monitoring of electricity usage. The municipality appointed two Meter Inspectors to address the issue of electricity losses.

It is important that the financial position of the municipality remains sustainable over the medium term. Therefore special attention must be given to eliminating all unnecessary spending on nice-to-have item and non-essential activities and ensure that capital budgets invest in infrastructure development.

2. Part 1 – Annual Budget

This annexure contains the A1-10 tables and draft resolutions to be approved by Council with supporting schedules, inclusive of the following:

- Report of the Executive Mayor
- Schedule 1 : Draft resolution for the 2013/2014, 2014/2015 and 2015/2016 annual budget
- Executive Summary
- Annual Budget Tables
 - Table A1 : Budget summary
 - Table A2 : Budgeted financial performance by vote
 - Table A3 : Budgeted financial performance by municipal vote
 - Table A4 : Budget financial performance by revenue source and expenditure type
 - Table A5 : Budgeted capital expenditure by vote
 - Table A6 : Budgeted financial position
 - Table A7 : Budgeted cash flows
 - Table A8 : Cash backed reserves / accumulate surplus reconciliation
 - Table A9 : Asset management
 - Table A10 : Basic service delivery measurement

Executive Summary

Table A1 provides a consolidated budget summary of the proposed annual budget. The combined expenditure for the MTREF is as follows:

	2013/14	2014/15	2015/16
Operating expenditure	247 466	260 829	274 914
Contribution to Capital	(14 695)	(15 489)	(16 325)
	232 771	245 340	258 589
Capital expenditure	136 120	143 471	151 219
Total	368 891	388 811	409 808

Table A2 provides details on the budgeted financial performance by vote, whilst Table A4 and supporting table SA1 and SA2 provides details on the budgeted financial performance by revenue source and expenditure type.

Table A4 is graphically presented in:

- Chart 1 Revenue by major source
- Chart 2 Other revenue
- Chart 3 Operating expenditure by type

Based on the mid-year performance assessment, the budgeted revenue for 2012/2013 was revised from R246,7-million to R234,6-million.

The tabled budget herewith presented provides for total operating revenue of R251,4-million for 2013/2014 financial year, R265,2-million for the 2014/2015 financial year and R279,5-million for the 2015/2016 financial years.

Government is also stepping up programmes to monitor municipal performance against grants. The DORA clearly states that any conditional allocation not spent at the end of a financial year reverts back to the national revenue fund unless proof to the satisfaction of National Treasury that unspent allocations is committed to identifiable projects. At this stage it is envisaged that all conditional grants will be spend by 30 June 2013.

The key operating expenditure allocations in the proposed budget for 2013/2014 financial year include:

- R101,4-million for Technical Services
- R32-million for Executive and Council
- R31,1-million for Budget and Treasury

The proposed capital expenditure for 2013/2014 amounts to R136,1-million, R143,5-million for the 2014/2015 financial year and an amount of R151,2-million for the 2015/2016 financial year.

The key capital expenditure in the proposed capital budget for 2013/2014 financial year is:

- R18,2-million for electricity services
- R84,8-million for water services
- R8,8-million for sewerage services
- R10,9-million for roads services
- R8,5-million for refuse removal services

Table A6 and supporting table SA3 provides information on the projected budgeted financial position and table A7 provides details on the projected cash flow.

3. Part 2 – Supporting Documents

This annexure contains the supporting tables with explanatory notes, inclusive of the following:

- Overview of the annual budget process.
- Overview of the alignment of the annual budget with the integrated development plan.
- Measurable performance objectives and indicators.
- Overview of budget related policies.
- Overview of budget assumptions.
- Overview of budget funding.
- Funding requirements for capital expenditure.
- Expenditure on allocations and grant programmes.
- Allocations or grants made by the municipality.
- Councillors and board member allowances and employee benefits.
- Monthly targets for revenue, expenditure and cash flow.
- Contracts having future budgetary implications.
- Capital expenditure details.
- Legislative compliance status.

Schedule 2 : Comparison on the imposing of assessment rates and setting of tariffs for the 2012/2013 financial year.

Schedule 3 : Recommendation on the proposed sundry tariffs for the various services for the 2012/2013 financial year.

Schedule 4 : Budget Related Policies

4. Part 3 – Draft Annual Budgets and SDBIP's for internal departments

This annexure disclose the annual budgets and draft service delivery implementations plans for internal departments with a high level executive summary as follows:

- Report by the Executive Manager on the Draft SDBIP which include the following annexures:
 - Supporting Table SA 25 – Monthly projections of revenue for each source and expenditure type.
 - Supporting Table SA 27 – Monthly projection of operating revenue and expenditure by vote.
 - Supporting Table SA 29 – Monthly projections of capital expenditure by vote.
- Executive Summaries for internal departments.
- Departmental annual operating budget.
- Departmental detailed capital expenditure.

PJ NHLABATHI
Acting Chief Financial Officer

Table A1 – Budget Summary

MP301 Albert Luthuli - Table A1 Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	20,849	24,638	21,998	31,180	29,245	29,245	29,245	32,107	33,841	35,668
Service charges	22,119	20,771	25,550	32,026	28,182	28,182	28,182	23,954	25,247	26,611
Investment revenue	4,217	3,017	2,642	1,750	1,750	1,750	1,750	756	796	839
Transfers recognised - operational	160,928	193,858	258,371	171,064	162,868	162,868	162,868	174,845	184,287	194,238
Other own revenue	20,226	18,136	20,043	10,725	12,601	12,601	12,601	19,771	21,013	22,148
Total Revenue (excluding capital transfers and contributions)	228,339	260,420	328,604	246,744	234,646	234,646	234,646	251,432	265,184	279,504
Employee costs	62,786	70,409	81,366	83,296	75,870	75,870	75,870	82,621	87,083	91,785
Remuneration of councillors	9,007	10,903	11,402	13,230	13,230	13,230	13,230	14,288	15,060	15,873
Depreciation & asset impairment	88,691	95,213	96,191	2,000	2,000	2,000	2,000	-	-	-
Finance charges	20	791	864	-	-	-	-	-	-	-
Materials and bulk purchases	14,840	20,878	34,239	33,389	46,444	46,444	46,444	54,821	57,781	60,902
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	70,492	117,711	156,137	114,829	97,102	97,102	97,102	95,735	100,905	106,354
Total Expenditure	245,835	315,906	380,198	246,744	234,646	234,646	234,646	247,466	260,829	274,914
Surplus/(Deficit)	(17,496)	(55,486)	(51,594)	(0)	0	0	0	3,967	4,356	4,591
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(17,496)	(55,486)	(51,594)	(0)	0	0	0	3,967	4,356	4,591
Share of surplus/ (deficit) of associate	-	4,362	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(17,496)	(51,123)	(51,594)	(0)	0	0	0	3,967	4,356	4,591
Capital expenditure & funds sources										
Capital expenditure	27,315	33,657	82,673	132,916	101,719	101,719	101,719	136,120	144,553	152,358
Transfers recognised - capital	18,555	24,196	69,016	93,484	82,758	82,758	82,758	121,426	127,983	134,894
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	8,760	9,461	13,657	39,432	18,961	18,961	18,961	14,695	15,489	16,325
Total sources of capital funds	27,315	33,657	82,673	132,916	101,719	101,719	101,719	136,121	143,471	151,219
Financial position										
Total current assets	102,523	100,075	70,331	136,715	156,283	156,283	156,283	78,551	81,105	83,914
Total non current assets	503,837	731,419	746,494	742,666	742,666	742,666	742,666	837,112	839,130	841,350
Total current liabilities	50,632	46,861	65,551	31,015	31,015	31,008	31,008	25,890	15,789	6,579
Total non current liabilities	2,345	10,809	11,232	1,879	1,879	1,879	1,879	12,663	13,724	13,724
Community wealth/Equity	553,384	773,824	740,042	846,487	866,055	866,061	866,061	877,111	890,722	904,961
Cash flows										
Net cash from (used) operating	(4,272)	24,238	73,800	10,553	111,259	111,259	111,259	123,345	162,562	180,764
Net cash from (used) investing	(1,570)	(9,853)	(74,677)	-	101,719	101,719	101,719	136,121	143,471	151,219
Net cash from (used) financing	(57)	89	541	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(4,935)	9,539	9,203	19,756	212,978	212,978	212,978	259,466	565,499	897,482
Cash backing/surplus reconciliation										
Cash and investments available	46,886	42,452	23,482	35,593	57,021	57,021	57,021	59,342	61,895	64,704
Application of cash and investments	11,859	15,046	15,104	(60,436)	(58,240)	(58,240)	(58,240)	11,271	1,161	(8,049)
Balance - surplus (shortfall)	35,027	27,405	8,378	96,028	115,260	115,260	115,260	48,071	60,734	72,753
Asset management										
Asset register summary (WDV)	-	12,024	18,345	-	-	-	20,180	20,180	22,197	24,417
Depreciation & asset impairment	88,691	95,213	96,191	2,000	2,000	2,000	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	16,231	19,654	19,654	17,087	17,087	18,010	18,983
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	10	10	10	10	10	10	10	10	10	10
Refuse:	40	40	40	40	40	40	40	40	40	40

Table A2 – Budgeted financial performance by vote

MP301 Albert Luthuli - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		140,572	161,339	185,537	203,407	196,379	196,379	217,180	228,907	241,268
Executive and council		–	–	–	–	–	–	–	–	–
Budget and treasury office		140,168	161,339	184,589	202,995	195,985	195,985	217,005	228,723	241,074
Corporate services		404	–	948	413	395	395	175	184	194
<i>Community and public safety</i>		53,420	3,306	2,124	519	500	500	1,441	1,519	1,601
Community and social services		180	3,278	77	238	229	229	104	110	116
Sport and recreation		–	28	–	–	–	–	–	–	–
Public safety		2,026	0	2,047	281	271	271	1,337	1,409	1,485
Housing		–	–	–	–	–	–	–	–	–
Health		51,215	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		3,384	104	14,294	6,034	6,034	6,034	4,981	5,250	5,533
Planning and development		185	104	10,138	135	135	135	135	142	150
Road transport		–	–	–	5,899	5,899	5,899	4,846	5,107	5,383
Environmental protection		3,199	–	4,156	–	–	–	–	–	–
<i>Trading services</i>		30,930	31,642	20,869	33,314	28,182	28,182	23,954	25,247	26,611
Electricity		12,640	13,486	20,084	24,511	20,667	20,667	14,308	15,081	15,895
Water		14,261	14,038	789	3,945	2,657	2,657	3,370	3,552	3,744
Waste water management		–	–	–	2,591	2,591	2,591	3,517	3,707	3,907
Waste management		4,029	4,118	(3)	2,267	2,267	2,267	2,758	2,907	3,064
<i>Other</i>	4	–	64,035	105,780	3,470	3,553	3,553	3,877	4,261	4,491
Total Revenue - Standard	2	228,307	260,426	328,604	246,744	234,647	234,647	251,432	265,184	279,504
Expenditure - Standard										
<i>Governance and administration</i>		150,430	208,205	272,111	87,491	82,119	82,119	90,000	94,860	99,982
Executive and council		139,597	162,406	189,517	37,795	37,783	37,783	39,629	41,769	44,024
Budget and treasury office		10,832	45,799	63,415	28,522	24,380	24,380	31,572	33,277	35,074
Corporate services		–	–	19,178	21,175	19,956	19,956	18,799	19,814	20,884
<i>Community and public safety</i>		28,363	43,668	–	35,541	33,868	33,868	29,948	31,565	33,270
Community and social services		19,814	33,396	9,799	8,624	7,766	7,766	8,224	8,668	9,136
Sport and recreation		3,531	4,378	4,609	5,024	5,024	5,024	5,451	5,745	6,056
Public safety		5,018	5,894	16,511	21,892	21,077	21,077	16,273	17,152	18,078
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		6,057	12,779	23,942	32,442	27,621	27,621	40,463	42,647	44,950
Planning and development		1,789	4,869	9,583	10,115	8,867	8,867	17,714	18,671	19,679
Road transport		4,268	7,910	10,493	14,457	13,542	13,542	13,946	14,699	15,493
Environmental protection		–	–	3,866	7,870	5,212	5,212	8,802	9,278	9,779
<i>Trading services</i>		65,129	97,215	113,192	83,370	83,982	83,982	79,653	83,954	88,488
Electricity		19,736	38,244	51,482	46,413	46,108	46,108	52,558	55,396	58,387
Water		39,505	55,028	29,724	28,901	32,180	32,180	22,074	23,266	24,522
Waste water management		5,888	3,942	31,985	8,056	5,694	5,694	5,022	5,293	5,579
Waste management		–	–	–	–	–	–	–	–	–
<i>Other</i>	4	10,220	4,217	8,058	7,901	7,056	7,056	7,402	7,802	8,223
Total Expenditure - Standard	3	178,793	254,325	–	246,744	234,646	234,646	247,466	260,829	274,914
Surplus/(Deficit) for the year		49,514	10,220	–	(0)	0	0	3,967	4,356	4,591

Table A2A – Detail budgeted financial performance by vote

MP301 Albert Luthuli - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

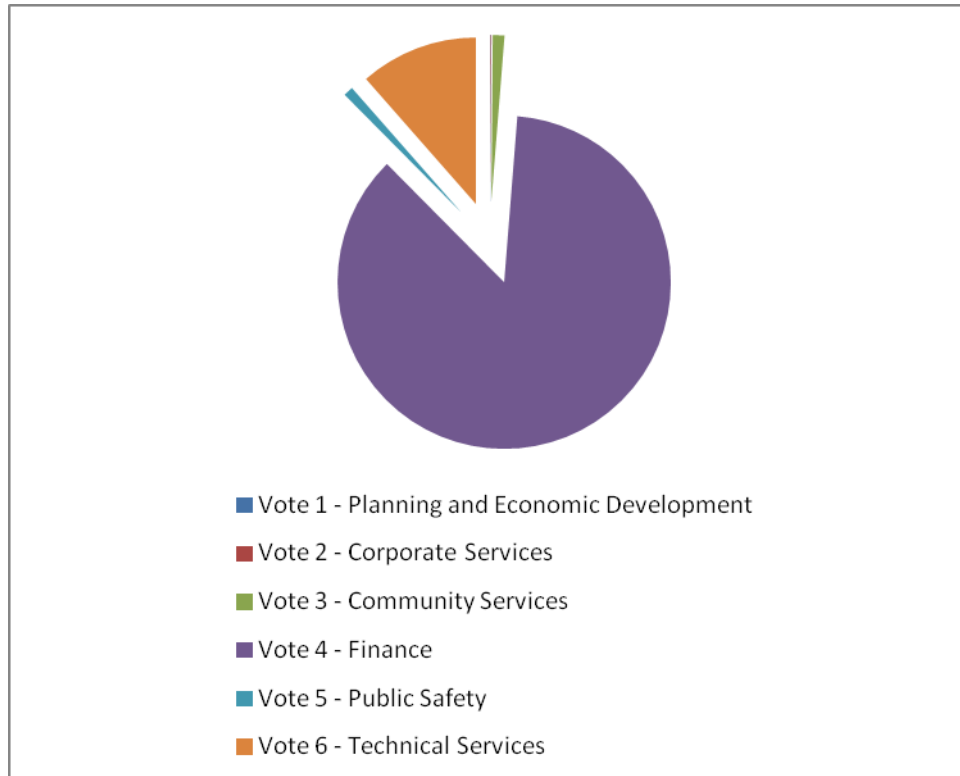
Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue - Standard										
Municipal governance and administration		140,603	161,361	183,537	203,407	196,379	196,379	217,180	228,907	241,268
Executive and council										
Mayor and Council		33	22							
Municipal Manager										
Budget and treasury office		140,168	161,339	184,589	202,985	195,985	195,985	217,005	228,723	241,074
Corporate services		404		948	413	395	395	175	184	194
Human Resources										
Information Technology										
Property Services		404		948	119	101	101	175	184	194
Other Admin					293	293	293			
Community and public safety		53,420	3,278	2,124	519	500	500	1,441	1,519	1,601
Community and social services		180	3,278	77	238	229	229	104	119	116
Libraries and Archives					1	1	1	1	1	1
Museums & Art Galleries etc										
Community halls and Facilities		64			119	119	119			
Cemeteries & Crematoriums		111		77	103	103	103	103	109	115
Child Care						(0)	(0)			
Aged Care										
Other Community		4			10	1	1			
Other Social			3,250		5	5	5			
Sport and recreation			28							
Public safety		2,026	0	2,047	281	271	271	1,337	1,409	1,483
Police		2,026	0	2,047	281	271	271	1,280	1,349	1,422
Fire								57	60	63
Civil Defence										
Street Lighting										
Other										
Housing										
Health		51,215								
Clinics		51,215								
Ambulance										
Other										
Economic and environmental services		3,384	104	14,294	6,034	6,034	6,034	4,981	5,250	5,333
Planning and development		185	104	10,138	135	135	135	135	142	150
Economic Development/Planning										
Town Planning/Building		185	104	10,138	135	135	135	135	142	150
Licensing & Regulation										
Road transport					5,899	5,899	5,899	4,846	5,107	5,383
Roads				877	4,614	4,614	4,614	3,785	3,989	4,205
Public Buses										
Parking Garages										
Vehicle Licensing and Testing					1,004	1,004	1,004	1,061	1,118	1,178
Other					281	281	281			
Environmental protection		3,199		4,156						
Pollution Control										
Biodiversity & Landscape										
Other		3,199		4,156						
Trading services		30,930	31,642	20,869	33,314	28,182	28,182	23,954	25,247	26,611
Electricity		12,640	13,486	20,084	24,511	20,667	20,667	14,308	15,081	15,895
Electricity Distribution		12,640	13,486	20,084	24,511	20,667	20,667	14,308	15,081	15,895
Electricity Generation										
Water		14,261	14,038	789	3,945	2,657	2,657	3,370	3,552	3,744
Water Distribution		14,261	14,038	789	3,945	2,657	2,657	3,370	3,552	3,744
Water Storage										
Waste water management					2,591	2,591	2,591	3,517	3,707	3,907
Sewerage		4,029	4,118	4,681	2,591	2,591	2,591	3,517	3,707	3,907
Storm Water Management										
Public Toilets										
Waste management		4,029	4,118	(3)	2,267	2,267	2,267	2,758	2,907	3,064
Solid Waste		4,029	4,118	(3)	2,267	2,267	2,267	2,758	2,907	3,064
Other			64,035	105,780	3,470	3,553	3,553	3,877	4,261	4,491
Air Transport										
Abattoirs										
Tourism										
Forestry										
Markets			64,035	105,780	3,470	3,553	3,553	3,877	4,261	4,491
Total Revenue - Standard	2	228,339	260,420	328,604	246,744	234,647	234,647	251,432	265,184	279,904
Expenditure - Standard										
Municipal governance and administration		139,597	162,406	208,696	87,491	82,119	82,119	90,000	94,860	99,982
Executive and council		139,597	162,406	189,517	37,795	37,783	37,783	39,629	41,769	44,024
Mayor and Council		128,765	116,606	120,357	30,416	29,496	29,496	32,017	33,746	35,569
Municipal Manager				5,745	7,379	8,287	8,287	7,611	8,022	8,458
Budget and treasury office		10,832	45,799	63,415	28,522	24,380	24,380	31,572	33,277	35,074
Corporate services				19,178	21,175	19,956	19,956	18,799	19,614	20,884
Human Resources										
Information Technology					6,271	5,199	5,199	4,782	5,040	5,312
Property Services										
Other Admin				19,178	14,904	14,757	14,757	14,017	14,774	15,572
Community and public safety		24,832	39,290	26,310	35,541	33,868	33,868	29,948	31,565	33,270
Community and social services		19,814	33,396	9,799	8,624	7,766	7,766	8,224	8,668	9,136
Libraries and Archives				1,046	1,399	1,176	1,176	1,723	1,616	1,914
Museums & Art Galleries etc			29,017							
Community halls and Facilities										
Cemeteries & Crematoriums				1,253	2,572	2,347	2,347	3,287	3,465	3,652
Child Care										
Aged Care										
Other Community					4,653	4,244	4,244	3,214	3,388	3,571
Other Social		16,283		2,890						
Sport and recreation		3,531	4,378	4,609	5,024	5,024	5,024	5,451	5,745	6,058
Public safety		5,018	5,894	16,311	21,892	21,077	21,077	16,273	17,132	18,078
Police		5,018	5,894	14,070	7,873	8,038	8,038			
Fire				2,441	4,925	4,925	4,925	2,856	3,010	3,172
Civil Defence										
Street Lighting										
Other					9,094	8,114	8,114	13,417	14,142	14,905
Housing										
Health										
Clinics										
Ambulance										
Other										
Economic and environmental services		6,057	12,779	23,942	32,442	27,621	27,621	40,463	42,647	44,950
Planning and development		1,789	4,869	9,583	10,115	8,867	8,867	17,714	18,671	19,679
Economic Development/Planning		1,789	4,869	9,583	10,115	8,867	8,867	11,848	12,488	13,163
Town Planning/Building										
Licensing & Regulation								5,866	6,182	6,518
Road transport		4,268	7,910	10,493	14,457	13,542	13,542	13,946	14,699	15,493
Roads		4,268	7,910	10,493	14,457	13,542	13,542	13,946	14,699	15,493
Public Buses										
Parking Garages										
Vehicle Licensing and Testing										
Other										
Environmental protection				3,866	7,870	5,212	5,212	8,802	9,278	9,779
Pollution Control										
Biodiversity & Landscape										
Other				3,866	7,870	5,212	5,212	8,802	9,278	9,779
Trading services		65,129	97,215	113,192	83,370	83,982	83,982	79,653	83,954	88,488
Electricity		19,736	38,244	51,482	46,413	46,108	46,108	52,558	55,396	58,387
Electricity Distribution		19,736	38,244	51,482	46,413	46,108	46,108	52,558	55,396	58,387
Electricity Generation										
Water		39,505	55,028	29,724	28,901	32,180	32,180	22,074	23,266	24,522
Water Distribution		39,505	55,028	29,724	28,901	32,180	32,180	22,074	23,266	24,522
Water Storage										
Waste water management		5,888	3,942	31,985	8,056	5,694	5,694	5,022	5,293	5,579
Sewerage		5,888	3,942	31,985	8,056	5,694	5,694	5,022	5,293	5,579
Storm Water Management										
Public Toilets										
Waste management										
Solid Waste										
Other		10,220	4,217	8,058	7,901	7,056	7,056	7,402	7,802	8,223
Air Transport										
Abattoirs										
Tourism										
Forestry										
Markets		10,220	4,217	8,058	7,901	7,056	7,056	7,402	7,802	8,223
Total Expenditure - Standard	3	245,836	315,906	380,198	246,744	234,646	234,646	247,466	260,829	274,914
Surplus/(Deficit) for the year		(17,496)	(55,486)	(51,594)	(0)	0	0	3,967	4,356	4,991

TabA3 - Budgeted financial performance by municipal vote

MP301 Albert Luthuli - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

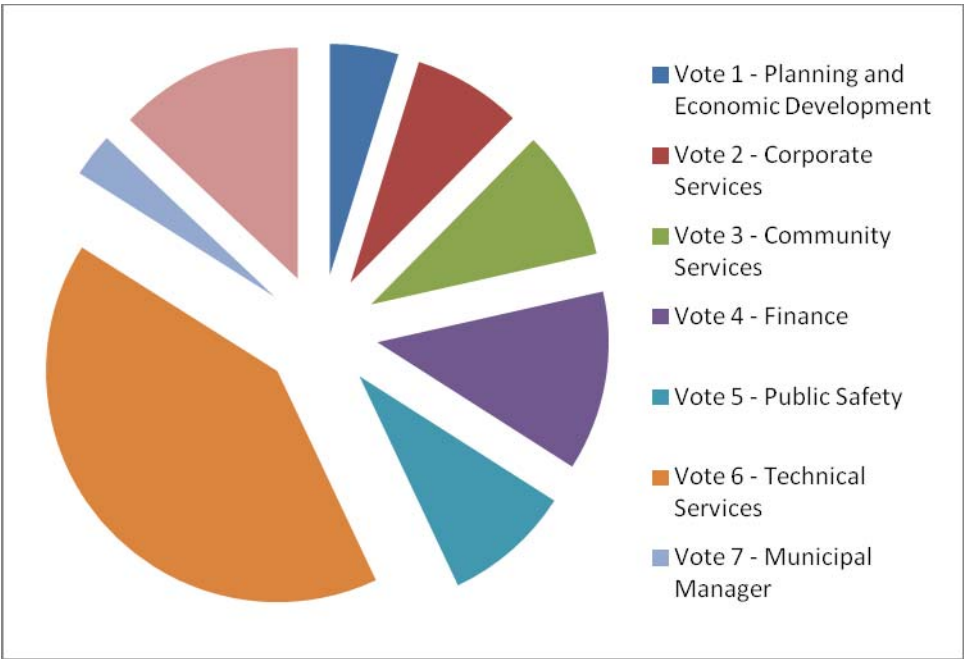
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - Planning and Economic Development		185	104	10,138	135	135	135	135	142	150
Vote 2 - Corporate Services		404	-	948	413	395	395	175	184	194
Vote 3 - Community Services		55,819	7,396	4,232	2,385	2,376	2,376	2,862	3,017	3,180
Vote 4 - Finance		140,168	161,338	184,589	202,995	195,985	195,985	217,005	228,723	241,074
Vote 5 - Public Safety		2,026	0	2,047	1,285	1,478	1,478	2,398	2,527	2,664
Vote 6 - Technical Services		26,901	27,524	126,068	39,532	34,277	34,277	28,857	30,591	32,242
Vote 7 - Municipal Manager		2,802	64,035	581	-	-	-	-	-	-
Vote 8 - Council General		33	22	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	228,339	260,420	328,604	246,744	234,646	234,646	251,432	265,184	279,504
Expenditure by Vote to be appropriated	1									
Vote 1 - Planning and Economic Development		1,789	4,869	9,583	10,115	8,867	8,867	11,848	12,488	13,163
Vote 2 - Corporate Services		-	-	19,178	21,175	19,956	19,956	18,799	19,814	20,884
Vote 3 - Community Services		19,814	33,396	13,666	21,519	17,568	17,568	22,477	23,691	24,970
Vote 4 - Finance		10,832	45,799	63,415	28,522	24,380	24,380	31,131	32,812	34,584
Vote 5 - Public Safety		5,018	5,894	16,511	21,892	21,077	21,077	22,139	23,334	24,594
Vote 6 - Technical Services		69,397	105,125	131,743	105,727	104,992	104,992	101,442	106,920	112,694
Vote 7 - Municipal Manager		10,220	4,217	5,745	7,379	6,471	6,471	7,611	8,022	8,456
Vote 8 - Council General		128,765	116,607	120,357	30,416	31,335	31,335	32,017	33,746	35,569
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	245,836	315,906	380,198	246,744	234,646	234,646	247,466	260,829	274,914
Surplus/(Deficit) for the year	2	(17,496)	(55,486)	(51,594)	(0)	(0)	(0)	3,967	4,356	4,591

Graphical Budgeted Financial Performance



Chief Albert Luthuli municipality is grant dependent and the amount is receipted under the finance department hence the income from the Finance is more than the other departments.

Graphical Budgeted financial Performance



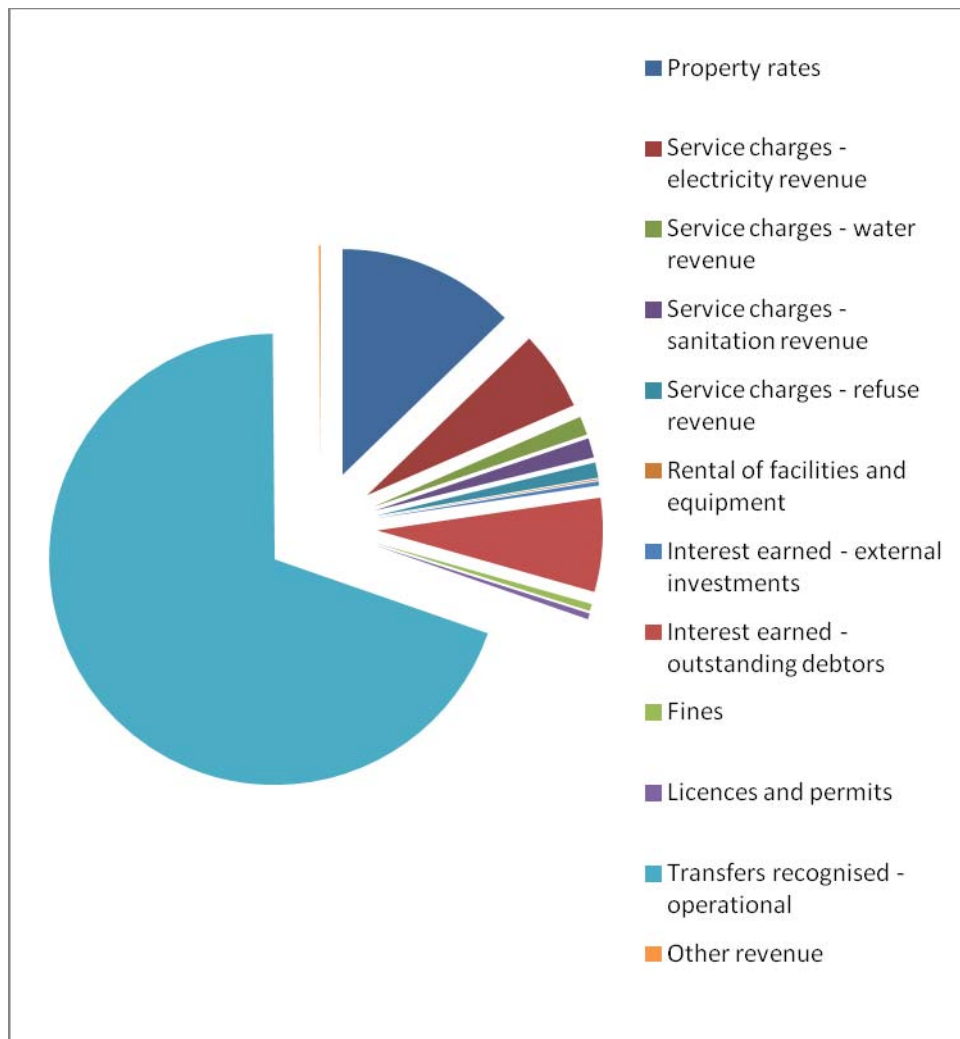
The Technical services Department had more allocation of expenditure due to the fact that electricity, water and sanitation are under the Technical Services.

Table A4 – Budgeted financial performance by revenue source & expenditure type

MP301 Albert Luthuli - Table A4 Budgeted Financial Performance (revenue and expenditure)

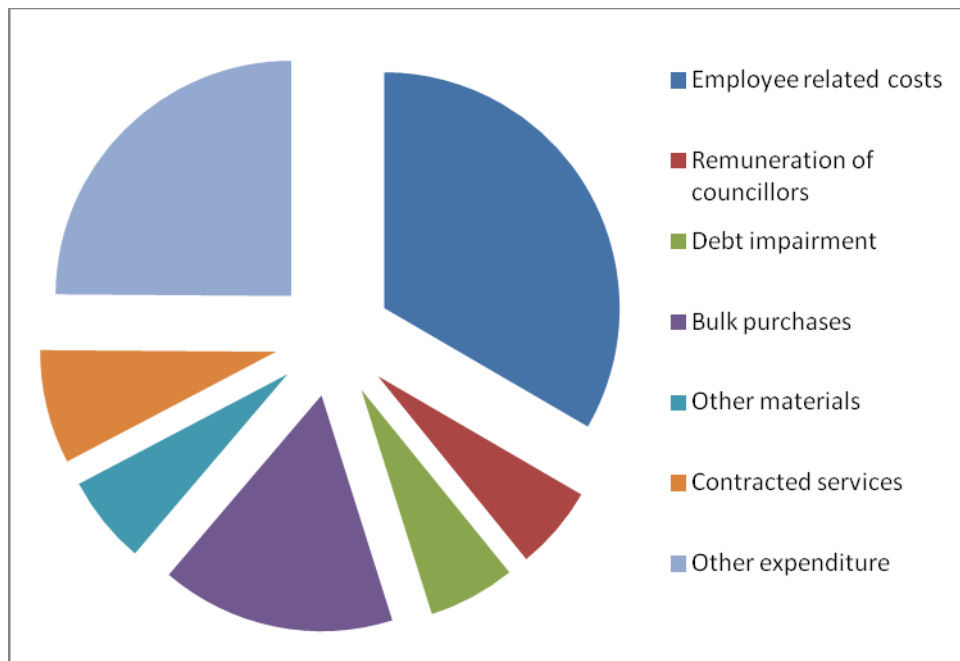
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	20,849	24,638	21,998	31,180	29,245	29,245	29,245	32,107	33,841	35,668
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	12,446	11,910	20,084	24,511	20,667	20,667	20,667	14,308	15,081	15,895
Service charges - water revenue	2	2,191	398	789	2,540	2,540	2,540	2,540	3,370	3,552	3,744
Service charges - sanitation revenue	2	4,019	4,557	4,681	2,708	2,708	2,708	2,708	3,517	3,707	3,907
Service charges - refuse revenue	2	3,464	3,907	(3)	2,267	2,267	2,267	2,267	2,758	2,907	3,064
Service charges - other											
Rental of facilities and equipment		501	503	440	66	66	66	66	175	184	194
Interest earned - external investments		4,217	3,017	2,642	1,750	1,750	1,750	1,750	756	796	839
Interest earned - outstanding debtors		16,089	14,338	16,043	8,560	8,560	8,560	8,560	16,896	17,808	18,770
Dividends received				-						-	-
Fines		110	1,429	857	326	326	326	326	1,280	1,349	1,422
Licences and permits		1,747	691	949	1,004	1,004	1,004	1,004	1,061	1,118	1,178
Agency services				-						-	-
Transfers recognised - operational		160,928	193,858	258,371	171,064	162,868	162,868	162,868	174,845	184,287	194,238
Other revenue	2	1,778	1,176	1,755	769	2,645	2,645	2,645	359	554	584
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		228,339	260,420	328,604	246,744	234,646	234,646	234,646	251,432	265,184	279,504
Expenditure By Type											
Employee related costs	2	62,786	70,409	81,366	83,296	75,870	75,870	75,870	82,621	87,083	91,785
Remuneration of councillors		9,007	10,903	11,402	13,230	13,230	13,230	13,230	14,288	15,060	15,873
Debt impairment	3	7,970	32,110	30,026	15,363	16,417	16,417	16,417	14,818	15,618	16,462
Depreciation & asset impairment	2	88,691	95,213	96,191	2,000	2,000	2,000	2,000	-	-	-
Finance charges		20	791	864							
Bulk purchases	2	14,840	20,878	34,239	17,158	26,790	26,790	26,790	39,789	41,938	44,202
Other materials	8				16,231	19,654	19,654	19,654	15,032	15,844	16,699
Contracted services		9,629	12,405	30,609	18,307	22,117	22,117	22,117	19,334	20,378	21,479
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	52,893	73,196	95,501	81,159	58,568	58,568	58,568	61,583	64,908	68,413
Loss on disposal of PPE											
Total Expenditure		245,835	315,906	380,198	246,744	234,646	234,646	234,646	247,466	260,829	274,914
Surplus/(Deficit)		(17,496)	(55,486)	(51,594)	(0)	0	0	0	3,967	4,356	4,591
Transfers recognised - capital											
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(17,496)	(55,486)	(51,594)	(0)	0	0	0	3,967	4,356	4,591
Taxation											
Surplus/(Deficit) after taxation		(17,496)	(55,486)	(51,594)	(0)	0	0	0	3,967	4,356	4,591
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(17,496)	(55,486)	(51,594)	(0)	0	0	0	3,967	4,356	4,591
Share of surplus/ (deficit) of associate	7	4,362									
Surplus/(Deficit) for the year		(17,496)	(51,123)	(51,594)	(0)	0	0	0	3,967	4,356	4,591

Graphical of Budgeted Income



Chief Albert Luthuli Municipality generate most of revenue from property rates second from grants and followed by electricity. The interest earned from outstanding debtors emanates from the growing outstanding debtors on a monthly basis. The municipality appointed debtor collector to assist in this regards.

Graphical of Budgeted Expenditure



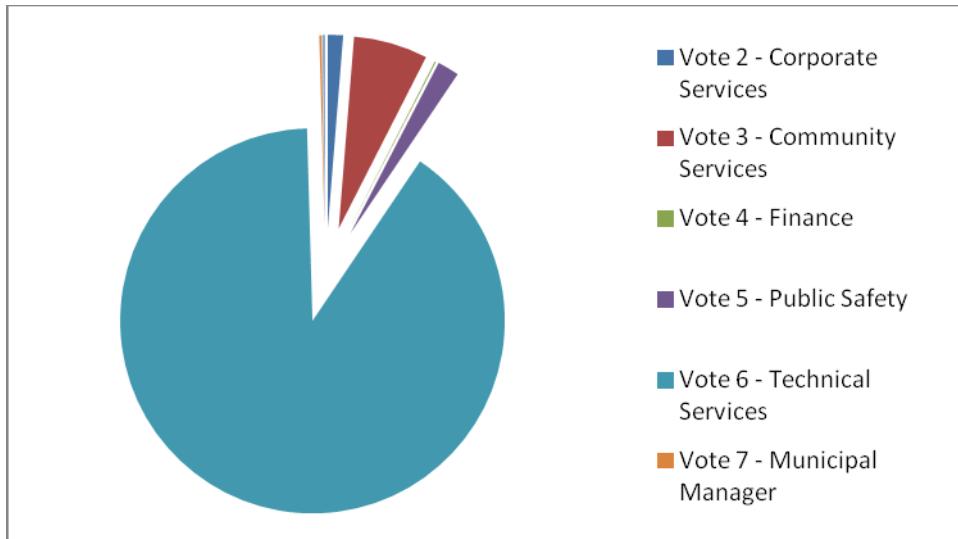
The employee related costs represent 39.1% of the total operating expenditure including payment of Councillors allowance. The general expenditure includes the contribution to capital expenditure from own revenue.

Table A5 – Budgeted capital expenditure by vote

MP301 Albert Luthuli - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
Capital expenditure - Vote													
Multi-year expenditure to be appropriated													
		2											
	Vote 1 - Planning and Economic Development		10	40	40	200	-	-	-	-	-	-	
	Vote 2 - Corporate Services		699	755	2,613	3,483	3,483	3,483	3,483	1,733	1,827	1,925	
	Vote 3 - Community Services		711	506	11,363	9,202	7,800	7,800	7,800	8,483	8,941	9,424	
	Vote 4 - Finance		420	200	200	257	257	257	257	144	151	160	
	Vote 5 - Public Safety		433	2,109	2,109	4,500	4,500	4,500	4,500	2,499	2,633	2,776	
	Vote 6 - Technical Services		24,964	29,982	66,328	114,585	85,679	85,679	85,679	122,647	129,270	136,251	
	Vote 7 - Municipal Manager		39	45	-	189	-	-	-	265	279	294	
	Vote 8 - Council General		39	20	-	500	-	-	-	350	369	389	
	Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	
	Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	
	Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	
	Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	
	Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	
	Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	
	Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total			7	27,315	33,657	82,653	132,916	101,719	101,719	101,719	136,121	143,471	151,219
Single-year expenditure to be appropriated													
		2											
	Vote 1 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	
	Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	
	Vote 3 - Community Services		-	-	-	-	-	-	-	-	-	-	
	Vote 4 - Finance		-	-	-	-	-	-	-	-	-	-	
	Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-	
	Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-	-	
	Vote 7 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	
	Vote 8 - Council General		-	-	-	-	-	-	-	-	-	-	
	Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	
	Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	
	Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	
	Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	
	Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	
	Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	
	Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total				-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Vote				27,315	33,657	82,653	132,916	101,719	101,719	101,719	136,121	143,471	151,219
Capital Expenditure - Standard													
Governance and administration				994	1,282	2,833	4,240	3,640	3,640	3,640	2,227	3,429	3,615
	Executive and council		43	39	20	500	685	685	685	350	539	568	
	Budget and treasury office		253	420	200	257	155	155	155	144	221	233	
	Corporate services		699	823	2,613	3,483	2,800	2,800	2,800	1,733	2,669	2,813	
Community and public safety				2,405	929	2,615	5,967	5,209	5,209	5,209	2,499	2,633	2,776
	Community and social services		364	448	-	1,246	948	948	948				
	Sport and recreation		1,145	48	506	221	58	58	58				
	Public safety		897	433	2,109	4,500	4,203	4,203	4,203	2,499	2,633	2,776	
	Housing												
	Health												
Economic and environmental services				2,015	455	40	8,500	8,380	8,380	8,380	10,902	11,491	12,112
	Planning and development		10	40	40	200	80	80	80				
	Road transport		2,005	415		8,300	8,300	8,300	8,300	10,902	11,491	12,112	
	Environmental protection												
Trading services				19,923	6,428	40,839	107,689	83,887	83,887	83,887	120,228	126,720	133,563
	Electricity		3,279	5,014	4,483	34,321	25,922	25,922	25,922	18,186	19,168	20,203	
	Water		14,925	1,068	22,040	40,125	32,694	32,694	32,694	84,792	89,371	94,197	
	Waste water management		91	130	3,459	25,508	17,157	17,157	17,157	8,767	9,241	9,740	
	Waste management		1,629	216	10,857	7,735	8,114	8,114	8,114	8,483	8,941	9,424	
	Other		1,977	24,564	36,346	6,520	603	603	603	264	278	293	
Total Capital Expenditure - Standard			3	27,315	33,657	82,673	132,916	101,719	101,719	101,719	136,120	144,553	152,358
Funded by:													
	National Government		18,555	24,196	69,016	93,484	82,758	82,758	82,758	121,426	127,983	134,894	
	Provincial Government												
	District Municipality												
	Other transfers and grants												
	Transfers recognised - capital	4	18,555	24,196	69,016	93,484	82,758	82,758	82,758	121,426	127,983	134,894	
	Public contributions & donations	5											
	Borrowing	6											
	Internally generated funds		8,760	9,461	13,657	39,432	18,961	18,961	18,961	14,695	15,489	16,325	
Total Capital Funding			7	27,315	33,657	82,673	132,916	101,719	101,719	101,719	136,121	143,471	151,219

Budgeted capital expenditure by vote



The municipality focuses on addressing the water challenges experience in most wards in Chief Albert Luthuli Municipality hence Council took a decision to focuses bulk water supply and reticulation.

Graphical Budgeted capital expenditure by standard classification

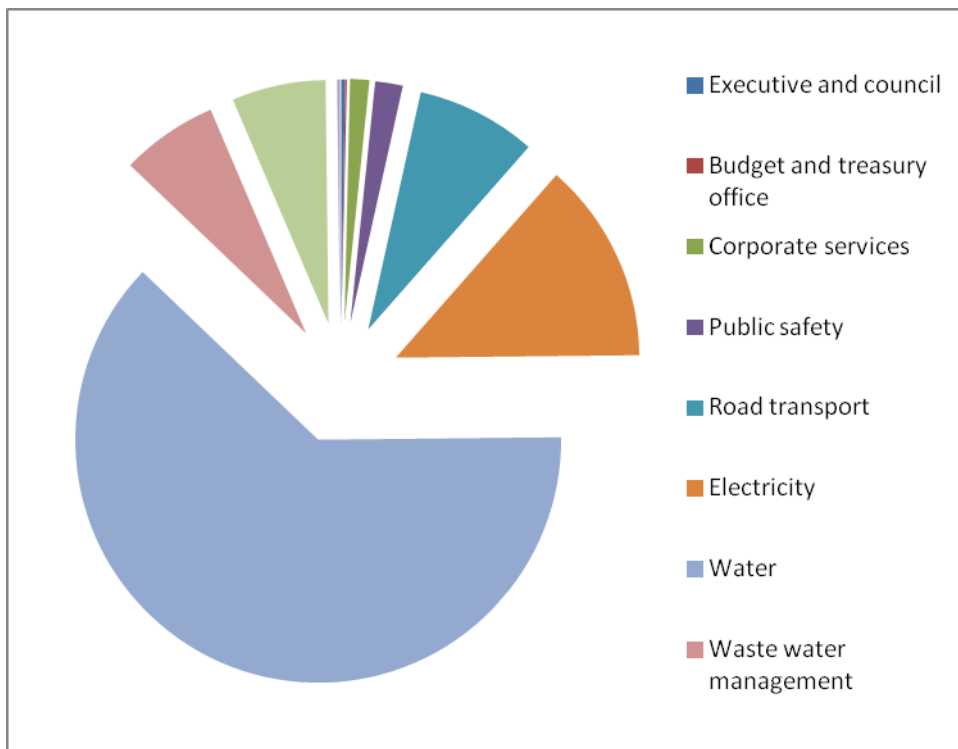


Table A6 – Budgeted financial position

MP301 Albert Luthuli - Table A6 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Current assets											
Cash		5,791	9,539	9,203	12,379	33,807	33,807	33,807	33,807	33,807	33,807
Call investment deposits	1	41,095	32,912	14,278	23,214	23,214	23,214	23,214	25,535	28,088	30,897
Consumer debtors	1	34,203	40,160	46,676	100,722	98,862	98,862	98,862	18,810	18,810	18,810
Other debtors		21,355	17,122	8							
Current portion of long-term receivables				34							
Inventory	2	78	342	131	400	400	400	400	400	400	400
Total current assets		102,523	100,075	70,331	136,715	156,283	156,283	156,283	78,551	81,105	83,914
Non current assets											
Long-term receivables											
Investments											
Investment property			12,024	18,345					20,180	22,197	24,417
Investment in Associate											
Property, plant and equipment	3	503,837	719,395	725,352	742,666	742,666	742,666	742,666	816,933	816,933	816,933
Agricultural											
Biological											
Intangible											
Other non-current assets				2,797							
Total non current assets		503,837	731,419	746,494	742,666	742,666	742,666	742,666	837,112	839,130	841,350
TOTAL ASSETS		606,361	831,494	816,825	879,381	898,949	898,949	898,949	915,664	920,235	925,264
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	6	88	-	6	6	-	-	-	-	-
Consumer deposits		653	529	529							
Trade and other payables	4	49,973	46,244	57,581	31,008	31,008	31,008	31,008	25,890	15,789	6,579
Provisions			-	7,441							
Total current liabilities		50,632	46,861	65,551	31,015	31,015	31,008	31,008	25,890	15,789	6,579
Non current liabilities											
Borrowing		113	228	625	101	101	101	101	101	101	101
Provisions		2,231	10,581	10,606	1,778	1,778	1,778	1,778	12,562	13,623	13,623
Total non current liabilities		2,345	10,809	11,232	1,879	1,879	1,879	1,879	12,663	13,724	13,724
TOTAL LIABILITIES		52,977	57,670	76,782	32,894	32,894	32,888	32,888	38,553	29,513	20,303
NET ASSETS	5	553,384	773,824	740,042	846,487	866,055	866,061	866,061	877,111	890,722	904,961
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		507,737	767,590	715,996	793,709	813,277	813,284	813,284	853,064	866,676	880,914
Reserves	4	45,647	6,234	24,047	52,778	52,778	52,778	52,778	24,047	24,047	24,047
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	553,384	773,824	740,042	846,487	866,055	866,061	866,061	877,111	890,722	904,961

Table A7 – Budgeted cash flow

MP301 Albert Luthuli - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		43,352	34,610	59,336	67,121	63,218	63,218	63,218	58,936	62,293	65,657
Government - operating	1		120,662	229,719	171,064	163,051	163,051	163,051	174,845	184,287	194,238
Government - capital	1		67,943		96,431	97,719	97,719	97,719	121,456	160,396	178,482
Interest		4,217	3,017	2,642	1,750	3,500	3,500	3,500	756	796	839
Dividends											
Payments											
Suppliers and employees		(51,821)	(201,267)	(217,166)	(325,813)	(216,229)	(216,229)	(216,229)	(232,648)	(245,211)	(258,452)
Finance charges		(20)	(726)	(731)							
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		(4,272)	24,238	73,800	10,553	111,259	111,259	111,259	123,345	162,562	180,764
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(40,011)	(38,673)	(93,530)							
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables		38,441		18,854							
Decrease (increase) in non-current investments											
Payments											
Capital assets			28,821			101,719	101,719	101,719	136,121	143,471	151,219
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1,570)	(9,853)	(74,677)	-	101,719	101,719	101,719	136,121	143,471	151,219
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		(57)	89	541							
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		(57)	89	541	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD											
		(5,898)	14,474	(336)	10,553	212,978	212,978	212,978	259,466	306,033	331,983
Cash/cash equivalents at the year begin:	2	964	(4,935)	9,539	9,203			-		259,466	565,499
Cash/cash equivalents at the year end:	2	(4,935)	9,539	9,203	19,756	212,978	212,978	212,978	259,466	565,499	897,482

Table A8 – Cash back reserves / accumulated surplus reconciliation

MP301 Albert Luthuli - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(4,935)	9,539	9,203	19,756	212,978	212,978	212,978	259,466	565,499	897,482
Other current investments > 90 days		51,821	32,912	14,278	15,836	(155,957)	(155,957)	(155,957)	(200,124)	(503,603)	(832,777)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		46,886	42,452	23,482	35,593	57,021	57,021	57,021	59,342	61,895	64,704
Application of cash and investments											
Unspent conditional transfers		24,759	25,167	5,473	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(12,900)	(10,121)	9,630	(60,436)	(58,240)	(58,240)	(58,240)	11,271	1,161	(8,049)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		11,859	15,046	15,104	(60,436)	(58,240)	(58,240)	(58,240)	11,271	1,161	(8,049)
Surplus(shortfall)		35,027	27,405	8,378	96,028	115,260	115,260	115,260	48,071	60,734	72,753

Table A9 – Asset management

MP301 Albert Luthuli - Table A9 Asset Management

MP301 Albert Lutuli - Table A9 Asset management										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	27,315	33,657	82,653	132,916	101,719	101,719	136,121	143,471	151,219
Infrastructure - Road transport		415	–	–	29,487	30,895	30,895	10,902	11,491	12,112
Infrastructure - Electricity		5,014	4,483	4,483	22,859	21,286	21,286	18,186	19,168	20,203
Infrastructure - Water		1,068	22,040	22,040	28,473	30,615	30,615	84,792	89,371	94,197
Infrastructure - Sanitation		17,984	3,459	3,459	11,122	11,122	11,122	8,767	9,241	9,740
Infrastructure - Other		–	216	36,346	4,456	7,800	7,800	8,483	8,941	9,424
Infrastructure		24,481	30,198	66,328	96,397	101,719	101,719	131,131	138,212	145,675
Community		2,834	3,459	16,325	10,323	–	–	4,990	5,260	5,544
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	26,196	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	–	–	–	–	–	–	–	–	–
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	–	–	–	–	–	–	–	–	–
Infrastructure - Road transport		415	–	–	29,487	30,895	30,895	10,902	11,491	12,112
Infrastructure - Electricity		5,014	4,483	4,483	22,859	21,286	21,286	18,186	19,168	20,203
Infrastructure - Water		1,068	22,040	22,040	28,473	30,615	30,615	84,792	89,371	94,197
Infrastructure - Sanitation		17,984	3,459	3,459	11,122	11,122	11,122	8,767	9,241	9,740
Infrastructure - Other		–	216	36,346	4,456	7,800	7,800	8,483	8,941	9,424
Infrastructure		24,481	30,198	66,328	96,397	101,719	101,719	131,131	138,212	145,675
Community		2,834	3,459	16,325	10,323	–	–	4,990	5,260	5,544
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	26,196	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	27,315	33,657	82,653	132,916	101,719	101,719	136,121	143,471	151,219
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5									
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		–	–	–	–	–	–	–	–	–
Community										
Heritage assets										
Investment properties		–	12,024	18,345	–	–	–	20,180	22,197	24,417
Other assets										
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	–	12,024	18,345	–	–	–	20,180	22,197	24,417
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	88,691	95,213	96,191	2,000	2,000	2,000	–	–	–
Repairs and Maintenance by Asset Class		–	–	–	16,231	19,654	19,654	17,087	18,010	18,983
Infrastructure - Road transport		–	–	–	7,189	7,189	7,189	5,885	6,203	6,538
Infrastructure - Electricity		–	–	–	3,405	4,050	4,050	3,975	4,189	4,415
Infrastructure - Water		–	–	–	4,172	7,067	7,067	5,847	6,163	6,495
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	14,766	18,306	18,306	15,706	16,555	17,449
Community		–	–	–	1,465	1,348	1,348	1,381	1,456	1,534
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		88,691	95,213	96,191	18,231	21,654	21,654	17,087	18,010	18,983

Table A10 – Basic Service Delivery Measurement

MP301 Albert Luthuli - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling		10,605	10,605	10,605	10,605	10,605	10,605	10,605	10,605	10,605
Piped water inside yard (but not in dwelling)		19,772	19,772	19,772	19,772	19,772	19,772	19,772	19,772	19,772
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218	2,218
Minimum Service Level and Above sub-total		32,595	32,595	32,595	32,595	32,595	32,595	32,595	32,595	32,595
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	32,595	32,595	32,595	32,595	32,595	32,595	32,595	32,595	32,595
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		7,986	7,986	7,986	7,986	7,986	7,986	7,986	7,986	7,986
Flush toilet (with septic tank)		456	456	456	456	456	456	456	456	456
Chemical toilet										
Pit toilet (ventilated)		6,327	6,327	6,327	6,327	6,327	6,327	6,327	6,327	6,327
Other toilet provisions (> min.service level)		28,182	28,182	28,182	28,182	28,182	28,182	28,182	28,182	28,182
Minimum Service Level and Above sub-total		42,951	42,951	42,951	42,951	42,951	42,951	42,951	42,951	42,951
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	42,951	42,951	42,951	42,951	42,951	42,951	42,951	42,951	42,951
Energy:										
Electricity (at least min.service level)		35,564	35,564	35,564	35,564	35,564	35,564	35,564	35,564	35,564
Electricity - prepaid (min.service level)										
Minimum Service Level and Above sub-total		35,564	35,564	35,564	35,564	35,564	35,564	35,564	35,564	35,564
Electricity (< min.service level)										
Electricity - prepaid (< min.service level)										
Other energy sources		10,472	10,472	10,472	10,472	10,472	10,472	10,472	10,472	10,472
Below Minimum Service Level sub-total		10,472	10,472	10,472	10,472	10,472	10,472	10,472	10,472	10,472
Total number of households	5	46,036	46,036	46,036	46,036	46,036	46,036	46,036	46,036	46,036
Refuse:										
Removed at least once a week		6,108	6,108	6,108	6,108	6,108	6,108	6,108	6,108	6,108
Minimum Service Level and Above sub-total		6,108	6,108	6,108	6,108	6,108	6,108	6,108	6,108	6,108
Removed less frequently than once a week		1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015
Using communal refuse dump		267	267	267	267	267	267	267	267	267
Using own refuse dump		27,810	27,810	27,810	27,810	27,810	27,810	27,810	27,810	27,810
Other rubbish disposal		55	55	55	55	55	55	55	55	55
No rubbish disposal		10,764	10,764	10,764	10,764	10,764	10,764	10,764	10,764	10,764
Below Minimum Service Level sub-total		39,911	39,911	39,911	39,911	39,911	39,911	39,911	39,911	39,911
Total number of households	5	46,019	46,019	46,019	46,019	46,019	46,019	46,019	46,019	46,019
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		-	-	-	-	-	-	-	-	-
Highest level of free service provided										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)										
Water										
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	-	-	-	-	-	-

PART 2

SUPPORTING DOCUMENTS

PART 2

Overview of the budget process

1. Overview of the budget process

The integrated development plan (IDP) annual revision allow the municipality to expand upon or refine plans and strategies to included additional issues and to ensure that these plans and strategies inform institutional and financial planning through the budget process.

To achieve the above the IDP revision process plan as well as the budget process timetable were considered and approved by Council in August 2011 which indicate all the key deadlines relating to the review of the IDP and the preparation of the multi-year budget and review of budget-related policies.

The budget preparation process for the 2013/2014 budget was started in August with the approval of the budget timetable 2012 whilst preliminary consultation and discussions on the draft budget with senior management was finalised in March 2013. Directors with their managers were consulted, because the submitted inputs were over the revenue projections for 2013/2014 financial year, and they had to reprioritise their plans so that the programmes are within the budgeted income.

2. Overview of alignment of annual budget with integrated development plan

Supporting table SA4, SA5 and SA6 provides a breakdown of all revenue, operating expenditure and capital expenditure aligned to the goals and actions of the IDP on a high level.

The annual budget is linked to the five (5) main strategic goals and objectives, which are:

- Municipal transformation and institutional development
- Local Economic Development (LED)
- Municipal financial viability
- Good governance and public participation
- Basic Service Delivery

Through the IDP process it was reconfirmed that the municipality is committed to the total well-being of all its citizens through:

- the rendering of affordable, cost effective, accessible, efficient and quality services for present and future customers.
- the maximizing of infrastructural development through the utilisation of all available resources.
- improving the quality of life by co-ordinating gender and social development programmes.
- the implementation of effective management systems and procedures.

- the creation of an enabling environment for LED.
- ensuring effective co-operation with relevant stakeholders.
- to ensure skilled, motivated and committed workforce.
- compliance with the Batho Pele principles.

3. Measurable performance objectives and indicators

Supporting table SA8 provides details on the financial indicators and benchmarks. The tabled budget was compiled considering the following main key performance indicators as a benchmark:

4. Overview of budget-related policies

The purpose of budget-related and financial policies is to provide a sound environment to manage the financial affairs of the municipality. The following are key budget relating policies which municipality has approved and where the policy doesn't exist the process of development will be looked at:

- **Tariff Policy** – the policy prescribes the procedures for calculating tariffs. This policy is required in terms of Section 74 of the Local Government Municipal Systems Act, Act 22 of 2000.
- **Rates Policy** – a policy required by the Municipal Property Rates Act, Act 6 of 2004. This policy provides the framework for the determining of rates. It further ensures certainty and clarity as to amounts payable in respect of property rates. The policy is submitted with the budget for review and be approved for public participation.
- **Free Basic services policy**- this policy aims to enhance the delivery of Free Basic Services to poor households, and assist municipality in developing innovative, reliable and integrated billing systems that would allow for improved delivery of services and an effective and efficient billing system for the debtors/consumers of the municipality. The policy is submitted with the budget for review and be approved for public participation.
- **Indigent Support Policy** – to provide access to and regulate free basic services to all indigent households. The policy is submitted with the budget for review and be approved for public participation.
- **Credit Control and Debt Collection Policy** – to provide for credit and debt collection procedures and mechanisms to ensure that all consumers pay for the services that are supplied. The policy is submitted with the budget for review and be approved for public participation.
- **Budget Policy** – this policy set out the principles which must be followed in preparing a medium term revenue and expenditure framework budget. It further ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.
- **Cash management and Investment Policy** – this policy was compiled in accordance with the Municipal Investment Regulation R308 and ensures that cash resources are managed in the most efficient and effective manner possible.
- **Asset Management Policy** – the objective of the policy is to prescribe the accounting and administrative procedures relating to property, plant and equipment (assets). The asset management policy it has incorporate the asset disposal processes.
- **Capital Investment and Infrastructure Development Policy**- the policy is not yet in place but strategies and programmes are being developed, they will be identified to form part of the financial plan to achieve the desired objective of improving financial viability, sustainability of the municipality, and capital investment on infrastructure. The policy will give guides on alternative funding models such as donor funding ect.

- **Borrowing policy-** The strong capital market in South Africa (banks and other lending institutions like DBSA, INCA etc.) provides an additional instrument to access financial resources. However, it is clear that the municipality cannot borrow to balance its budget and pay for overspending. The municipality's credit rating should also be looked at. The finance will develop the policy during the second so that it forms part of public consultation in March 2013.
- **This Funding and Reserves Policy-** will set out the assumptions and methodology for estimating – projected billings, collections and all direct revenues; the provision for revenue that will not be collected; the funds the Municipality can expect to receive from investments; the dividends the Municipality can expect to receive from Municipal entities; assets; the Municipality's borrowing requirements; and the funds to be set aside in reserves.
- **Accounting Policy** – the policy prescribes the basis of presentation of the annual financial statements in accordance with the General Recognised Accounting Practices and Accounting Standards, the policy will be reviewed during the preparation of annual financial statement.
- **Supply Chain Management Policy** – this policy is developed in terms of Section 111 of the Municipal Finance Management Act, Act 56 of 2003. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost-effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of municipal services. The policy is submitted with the budget for review and be approved for public participation.
- **Transport and Subsistence Policy** – this policy regulates the reimbursement of travelling and subsistence cost to officials and councillors undertaking official visits.

The following policies were reviewed:

- Indigent Policy
- Credit Control and Debt Collection Policy
- Subsistence and Travel Policy
- Free Basic Services Policy

These policies are available on the official website www.albertluthuli.gov.za

5. Overview of budget assumptions

One of the key issues identified for the sustainability of Chief Albert Luthuli Local Municipality is to expand its revenue in relation to its costs and its financial viability, whilst implementing its mandate'. The responsive key objective is 'effective, efficient, coordinated financial management and increased revenue that will enable the Council to deliver its mandate'. The plans and strategies detailed in this chapter contribute to the will of achieving this objective

The selected key assumptions relating to this budget are as follows:

- Government grants for years 2013/2014 to 2015/2016 are as per the Division of Revenue Act.
- Growth in the salary and wage bill has been provided for in the budget at 6,84% p.a.
- Increases for the purchase of electricity and water have been estimated at 8.0% and 7% p.a.
- Provision has been made for tariff increases relating to other services at an average rate of 7% p.a.

- Provision for rates tariff increases is variable because of the introduction of the new general valuation roll in July 2012.

6. Overview of budget funding

The budget is funded on the anticipated revenue from trading services such as water and electricity, though the council is experiencing low payment rate, it is anticipated that in the 2013/ 2014 budget year, collection rate will be increased from an average of 60% to 75% collection. The debt recovery plan will be put in place to ensure that the set objective is achieved. Proposed tariff adjustments to come into effect on 1 July 2013 are contained in the draft resolution.

A comparison on the imposing of assessment rates and setting of tariffs for the 2013/2014 financial year is included under Schedule 2 whilst the proposed tariffs for sundry services are included under Schedule 3.

Supporting table SA10 provides detail on funding measurement and funding supporting indicators.

7. Funding requirement for capital expenditure

It is therefore essential that the proposed capital budget carefully be considered and that the impact of all future developments on the current bulk infrastructure network strategically be considered.

	2013/2014
National Government	
Municipal Infrastructure Grant	121 426
Internally generated funds	14 695
Total	136 120

Supporting table SA17 provides particulars of all existing and any new borrowing proposed to be raised.

Supporting table SA15 and SA16 provide more detail on investments.

8. Expenditure on allocations and grant programmes

All national allocations to local government are published in the Division of Revenue Act, per municipality for the next three (3) years, whilst provincial allocations form part of the provincial budgets.

Supporting tables SA18, SA19 and SA20 provide details of planned expenditure against each allocation and grant received. The following grants have been allocated to the municipality:

	2013/2014	2014/2015	2015/2016
Equitable Share (this grant is an unconditional grant and is partially utilised for the provision of free basic services through Councils Indigent Support and Free Basic Services Policies)	164 743 000	180 330 000	209 868 000
Financial Management Grant	1 550 000	1 600 000	1 650 000
Municipal System Improvement Grant	890 000	934 000	967 000
Expended Public Works	3 785 000		

9. Allocations or grants made by the municipality

Supporting table SA21 provides detail on provisions made by Council to other organisations in terms of the Conditions of the Grants-in-Aid Policy and specific Council resolutions. No provision is made by the municipality.

10. Councillors allowances, employee benefits and Performance agreement of senior managers

The performance agreement of senior managers are not attached to this documents, the documents will be signed after the adoption of the final budget after approval by council on 31 May 2013.

The listed table reflecting the supporting table SA22, SA23 and SA24 provides the proposed cost to Council on salaries, allowances and benefits, as well as personnel members for:

- councillors of the municipality
- municipal manager and senior managers
- other municipal staff

11. Monthly targets for revenue, expenditure and cash flow

Supporting table SA25 and SA27 disclose the monthly targets for operating revenue by source, operating expenditure by type as well as a consolidated projection of revenue and expenditure by vote, whilst supporting table SA29 provides monthly projections for capital expenditure by vote.

All these schedules have been included in the draft SDBIP which is included in the tabled budget document as **PART 3**.

The SDBIP further includes the detailed capital budget by programme and shows each capital project associated within the programme and indicates the planning for each project.

Supporting table SA30 provides a consolidated projection of cash flow for the budget setting out receipts by source and payments by type, both operating and capital broken down per month for the budget year and also shown in total the following two (2) years.

12. Contracts having future budgetary implications

Multi-year funded projects are contracts having future budgetary implications as there are contracts which will impose financial obligations beyond three (3) years.

13. Capital expenditure details

Supporting table SA34 discloses capital expenditure by asset class and table SA36 provides a list of capital programmes and projects aligned to the goals of the integrated development plan. See also supporting table SA6 for reconciliation with IDP strategic objectives.

14. Legislative compliance status

The municipality is fully committed to promote and seek to implement the basic values and principles of public administration described as per Section 195(1) of the Constitution.

In achieving this commitment the municipality is presently in full compliance with the stipulations of the following legislation, the principles as per circulars issued in line with the legislation as well as promulgated regulations to give effect to the stipulations of such legislation, except where a lower extent of compliance is reflected:

- Local Government : Municipal Structures Act, Act 117 of 1998 with all its amendments to date.
- Local Government : Municipal Systems Act, Act 32 of 2000 with all its amendments to date in its entirety together with regulations promulgated and applicable to high capacity municipalities.
- Local Government : Municipal Finance Management Act, Act 56 of 2004 in its entirety including regulations promulgated and applicable to high capacity municipalities.
- Compliance is also given to circulars by National Treasury in line with the Municipal Systems Act and the Municipal Finance Management Act in so far stipulations had been approved by the Council for adoption.
- Local Government : Property Rates Act, Act 6 of 2004 and its promulgated regulations in so far as a new valuation is implemented from 1 July 2009 in full compliance to legislative requirement.
- Full compliance, where sections and stipulations of sections are applicable to the municipality:
 - Electricity Act of 1987
 - Labour Relations Act of 1995
 - The Constitution of South Africa, 1996
 - Financial and Fiscal Commission Act, 1997
 - Intergovernmental Fiscal Relations Act, 1997
 - Water Services Act, 1997
 - Municipal Demarcation Act, 1998
 - National Environmental Management Act, 1998
 - Remuneration of Political Office Bearers Act, 1998
 - Skills Development Act, 1998
 - National Land Transport Transition Act, 2000
 - Preferential Procurement Policy Framework Act, 2000
 - Intergovernmental Relations Framework Act, 2005
 - Division of Revenue Acts as enacted annually

15. PART 3 - SDBIP

In terms of the budget regulation, National Treasury encourages municipalities to include the draft municipal service delivery and budget implementation plan (SDBIP) with the tabled budget. This will promote effective planning and implementation of the annual budget within the municipality.

The draft SDBIP includes the following:

- 15.1. Report on the SDBIP.
 - 15.2. Supporting table SA25 – monthly projections of revenue for each source and expenditure type.
 - 15.3. Supporting table SA27 – monthly projections of operating revenue and expenditure by vote.
 - 15.4. Supporting table SA29 – monthly projections of capital expenditure by vote.
 - 15.5. Detail projects per capital programme.
16. The following Supporting Tables could not be included in the Tabled Budget due to the unavailability of information. These schedules will be attended to during May 2013 to be included with the final budget document.
- SA7 : Measurable Performance Objectives
 - SA11 : Property Rates Summary
 - SA12 & SA13 : Property Rates by category

PJ NHLABATHI

Acting Chief Financial Officer

Table SA1 – Supporting detail to budgeted financial performance

MP301 Albert Luthuli - Supporting Table SA1 Supporting detail to "Budgeted Financial Performance"

Description		Ref	2009/10 Audited Outcome	2010/11 Audited Outcome	2011/12 Audited Outcome	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
						Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
REVENUE ITEMS:												
Property rates												
Total Property Rates		6	23,519	25,258	26,218	33,180	31,245	31,245	31,245	35,107	37,003	39,001
Less Revenue Foregone			2,671	620	4,220	2,000	2,000	2,000	2,000	3,000	3,162	3,333
Net Property Rates			20,849	24,638	21,998	31,180	29,245	29,245	29,245	32,107	33,841	35,668
Service charges - electricity revenue												
Total Service charges - electricity revenue		6	12,446	13,346	20,084	27,161	23,317	23,317	23,317	17,144	18,070	19,045
Less Revenue Foregone				1,437		2,650	2,650	2,650	2,650	2,836	2,989	3,150
Net Service charges - electricity revenue			12,446	11,910	20,084	24,511	20,667	20,667	20,667	14,308	15,081	15,895
Service charges - water revenue												
Total Service charges - water revenue		6	2,191	1,835	789	4,215	4,215	4,215	4,215	5,038	5,310	5,596
Less Revenue Foregone				1,437		1,675	1,675	1,675	1,675	1,668	1,758	1,852
Net Service charges - water revenue			2,191	398	789	2,540	2,540	2,540	2,540	3,370	3,552	3,744
Service charges - sanitation revenue												
Total Service charges - sanitation revenue		6	4,019	4,557	4,681	4,130	4,130	4,130	4,130	5,039	5,311	5,598
Less Revenue Foregone						1,422	1,422	1,422	1,422	1,522	1,604	1,691
Net Service charges - sanitation revenue			4,019	4,557	4,681	2,708	2,708	2,708	2,708	3,517	3,707	3,907
Service charges - refuse revenue												
Total refuse removal revenue		6	3,464	3,907	(3)	3,817	3,817	3,817	3,817	4,402	4,640	4,890
Total landfill revenue						1,551	1,551	1,551	1,551	1,644	1,732	1,826
Less Revenue Foregone						1,551	1,551	1,551	1,551	1,644	1,732	1,826
Net Service charges - refuse revenue			3,464	3,907	(3)	2,267	2,267	2,267	2,267	2,758	2,907	3,064
Other Revenue by source												
List other revenue by source			1,778	1,176	1,755	769	2,645	2,645	2,645	359	554	584
Total 'Other' Revenue												
		3	1,778	1,176	1,755	769	2,645	2,645	2,645	359	554	584
EXPENDITURE ITEMS:												
Employee related costs												
Basic Salaries and Wages		2	43,105	43,063	54,459	57,719	53,984	53,984	53,984	66,534	70,126	70,126
Pension and UIF Contributions			10,902	12,435	9,533	8,613	8,563	8,563	8,563	9,766,297	10,294	10,850
Medical Aid Contributions			2,431	4,481	3,081	3,167	3,272	3,272	3,272	2,608,327	2,749	2,898
Overtime			2,143	4,481	4,127	4,570	2,460	2,460	2,460	1,991,912	2,099	2,213
Performance Bonus			2,143	3,265								
Motor Vehicle Allowance					3,850	5,388	4,780	4,780	4,780	4,303,245	4,536	4,781
Cellphone Allowance												
Housing Allowances			68	55	717	84	84	84	84	70,705	75	79
Other benefits and allowances			3,995	7,051	1,559	2,302	1,300	1,300	1,300	473,558	499	526
Payments in lieu of leave			143	61	3,698	1,189	1,163	1,163	1,163	282,437	298	314
Long service awards					344	264	264	264	264			
Post-retirement benefit obligations												
Less: Employees costs capitalised to PPE		sub-total	62,786	70,409	81,366	83,296	75,870	75,870	75,870	82,621	87,083	91,785
Total Employee related costs		1	62,786	70,409	81,366	83,296	75,870	75,870	75,870	82,621	87,083	91,785
Contributions recognised - capital												
List contributions by contract												
Total Contributions recognised - capital												
			-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment			88,691	95,213	96,191	2,000	2,000	2,000	2,000			
Lease amortisation												
Capital asset impairment												
Depreciation resulting from revaluation of PPE												
Total Depreciation & asset impairment		10	88,691	95,213	96,191	2,000	2,000	2,000	2,000	-	-	-
Bulk purchases												
Electricity Bulk Purchases			14,840	20,878	34,239	17,058	26,690	26,690	26,690	39,789	41,938	44,202
Water Bulk Purchases						100	100	100	100			
Total bulk purchases		1	14,840	20,878	34,239	17,158	26,790	26,790	26,790	39,789	41,938	44,202
Transfers and grants												
Cash transfers and grants			-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants			-	-	-	-	-	-	-	-	-	-
Total transfers and grants		1	-	-	-	-	-	-	-	-	-	-
Contracted services												
List services provided by contract			9,629	12,405	30,609	18,307	22,117	22,117	22,117	19,334	20,378	21,479
Allocations to organs of state:												
Electricity												
Water												
Sanitation												
Other												
Total contracted services			9,629	12,405	30,609	18,307	22,117	22,117	22,117	19,334	20,378	21,479
Other Expenditure By Type												
Collection costs						16,613	16,417	16,417	16,417			
Contributions to 'other' provisions												
Consultant fees												
Audit fees			1,767			1,700	1,500	1,500	1,500			
General expenses		3	51,125	73,196	95,501	62,847	40,651	40,651	40,651	61,583	64,908	68,413
List Other Expenditure by Type												
Total 'Other' Expenditure												
		1	52,893	73,196	95,501	81,159	58,568	58,568	58,568	61,583	64,908	68,413
Repairs and Maintenance												
Employee related costs		8										
Other materials												
Contracted Services						16,231	19,654	19,654	19,654	17,087	18,010	18,983
Other Expenditure												
Total Repairs and Maintenance Expenditure		9										

Table SA2 – Matrix financial performance – revenue source & expenditure type

MP301 Albert Luthuli - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Planning and Economic Development	Vote 2 - Corporate Services	Vote 3 - Community Services	Vote 4 - Finance	Vote 5 - Public Safety	Vote 6 - Technical Services	Vote 7 - Municipal Manager	Vote 8 - Council General	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates					32,170												32,170
Property rates - penalties & collection charges																	-
Service charges - electricity revenue							14,308										14,308
Service charges - water revenue							3,370										3,370
Service charges - sanitation revenue							3,517										3,517
Service charges - refuse revenue				2,758													2,758
Service charges - other																	-
Rental of facilities and equipment			175														175
Interest earned - external investments					756												756
Interest earned - outstanding debtors					16,096												16,096
Dividends received																	-
Fines						1,280											1,280
Licences and permits						1,061											1,061
Agency services																	-
Other revenue		135			104	57											296
Transfers recognised - operational					167,183		7,662										174,845
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		135	175	2,758	217,109	2,396	28,857	-	-	-	-	-	-	-	-	-	251,432
Expenditure By Type																	
Employee related costs		5,543	10,399	11,863	13,552	8,161	24,846	4,172	4,086								82,621
Remuneration of councillors									14,288								14,288
Debt impairment				1,101	6,777		4,941		2,000								14,818
Depreciation & asset impairment																	-
Finance charges																	-
Bulk purchases							39,789										39,789
Other materials		5	120	316		270	16,378										17,087
Contracted services		750	500	764	5,050	10,800	1,470										19,334
Transfers and grants																	-
Other expenditure		5,550	7,780	8,434	6,194	2,808	14,020	3,434	11,308								59,528
Loss on disposal of PPE																	-
Total Expenditure		11,848	18,799	22,477	31,572	22,039	101,442	7,605	31,682	-	-	-	-	-	-	-	247,466
Surplus/(Deficit)		(11,713)	(18,624)	(19,719)	185,537	(19,641)	(72,585)	(7,605)	(31,682)	-	-	-	-	-	-	-	3,967
Transfers recognised - capital																	-
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(11,713)	(18,624)	(19,719)	185,537	(19,641)	(72,585)	(7,605)	(31,682)	-	-	-	-	-	-	-	3,967

Table SA3 – Supporting detail to budgeted financial position

MP301 Albert Luthuli - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

		2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
Description	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days											
Other current investments > 90 days		41,095	32,912	14,278	23,214	23,214	23,214	23,214	25,535	28,088	30,897
Total Call investment deposits	2	41,095	32,912	14,278	23,214	23,214	23,214	23,214	25,535	28,088	30,897
Consumer debtors											
Consumer debtors		170,953	209,174	244,954	255,835	255,850	255,850	255,850	280,979	280,979	280,979
Less: Provision for debt impairment		(136,750)	(169,015)	(198,278)	(155,113)	(156,988)	(156,988)	(156,988)	(262,169)	(262,169)	(262,169)
Total Consumer debtors	2	34,203	40,160	46,676	100,722	98,862	98,862	98,862	18,810	18,810	18,810
Debt impairment provision											
Balance at the beginning of the year			136,750	136,750	139,750	139,750	139,750	139,750	153,725	153,725	153,725
Contributions to the provision			30,023	61,528	15,363	17,238	17,238	17,238	18,962	18,962	18,962
Bad debts written off											
Balance at end of year		-	166,773	198,278	155,113	156,988	156,988	156,988	172,686	172,686	172,686
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		540,777	1,103,316	1,109,273	1,058,853	1,058,853	1,058,853	1,058,853	1,164,738	1,164,738	1,164,738
Leases recognised as PPE						-					
Less: Accumulated depreciation		36,940	383,921	383,921	316,186	316,186	316,186	316,186	347,805	347,805	347,805
Total Property, plant and equipment (PPE)	2	503,837	719,395	725,352	742,666	742,666	742,666	742,666	816,933	816,933	816,933
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		6	88		6	6					
Total Current liabilities - Borrowing		6	88	-	6	6	-	-	-	-	-
Trade and other payables											
Trade and other creditors		25,214	21,077	50,613	31,008	31,008	31,008	31,008	25,890	15,789	6,579
Unspent conditional transfers		24,759	25,167	5,473							
VAT				1,494							
Total Trade and other payables	2	49,973	46,244	57,581	31,008	31,008	31,008	31,008	25,890	15,789	6,579
Non current liabilities - Borrowing											
Borrowing			121								
Finance leases (including PPP asset element)		113	107	625	101	101	101	101	101	101	101
Total Non current liabilities - Borrowing	4	113	228	625	101	101	101	101	101	101	101
Provisions - non-current											
Retirement benefits			10,581	10,606					10,606	11,667	11,667
List other major provision items											
Refuse landfill site rehabilitation											
Other		2,231			1,778	1,778	1,778	1,778	1,956	1,956	1,956
Total Provisions - non-current		2,231	10,581	10,606	1,778	1,778	1,778	1,778	12,562	13,623	13,623
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		525,174	767,590	767,590	793,709	813,277	813,284	813,284	849,097	862,320	876,324
GRAP adjustments		60									
Restated balance		525,234	767,590	767,590	793,709	813,277	813,284	813,284	849,097	862,320	876,324
Surplus/(Deficit)		(17,496)	(55,486)	(51,594)	(0)	0	0	0	3,967	4,356	4,591
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments			55,486								
Accumulated Surplus/(Deficit)	1	507,737	767,590	715,996	793,709	813,277	813,284	813,284	853,064	866,676	880,914
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves		45,647	6,234	24,047	52,778	52,778	52,778	52,778	24,047	24,047	24,047
Revaluation											
Total Reserves	2	45,647	6,234	24,047	52,778	52,778	52,778	52,778	24,047	24,047	24,047
TOTAL COMMUNITY WEALTH/EQUITY	2	553,384	773,824	740,042	846,487	866,055	866,061	866,061	877,111	890,722	904,961

Table SA4 – Reconciliation of IDP strategic objectives and revenue

MP301 Albert Luthuli - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Supporting Table 6.1: Accommodation of the Strategic Objectives and Budget (continued)													
Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand													
Electricity Infrastructure Development and Service Delivery	Service Delivery			82,720	34,920	130,300	41,917	36,654	36,654	31,720	33,607	35,422	
Sustainable and Economical Monetary Management	Financial viability			140,168	161,338	184,589	202,995	195,985	195,985	217,005	228,723	241,074	
Local Economic Development	Economic Growth and Development			185	104	10,138	135	135	135	135	142	150	
Municipal Transformation and Organisational Development	Good Corporate Governance			2,026	0	2,047	1,285	1,478	1,478	2,398	2,527	2,664	
Good governance and public participation	Good Corporate Governance			3,240	64,057	1,530	413	395	395	175	184	194	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	228,339	260,420	328,604	246,744	234,646	234,646	251,432	265,184	279,504

Table SA5 – Reconciliation of IDP strategic objectives and operating expenditure

MP301 Albert Luthuli - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Electricity Infrastructure Development and Service Delivery	Service Delivery			89,211	138,520	145,409	127,246	122,560	122,560	123,920	130,611	137,664
Sustainable and Economical Monetary Management	Financial viability			10,832	45,799	63,415	28,522	24,380	24,380	31,131	32,812	34,584
Local Economic Development	Economic Growth and Development			1,789	4,869	9,583	10,115	8,867	8,867	11,848	12,488	13,163
Municipal Transformation and Organisational Development	Good Corporate Governance			5,018	5,894	16,511	21,892	21,077	21,077	22,139	23,334	24,594
Good governance and public participation	Good Corporate Governance			138,985	120,823	145,280	58,969	57,761	57,761	58,428	61,583	64,908

Table SA6 – Reconciliation of IDP strategic objectives and capital expenditure

MP301 Albert Luthuli - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Electricity Infrastructure Development and Service Delivery	Service Delivery	A		25,675	30,488	77,691	123,787	93,479	93,479	127,881	138,482	145,959
		B										
Sustainable and Economical Monetary Management	Financial viability	C		420	200	200	257	257	257	257	144	151
		D										
Local Economic Development	Economic Growth and Development	E		10	40	40	200	–	–	–	–	–
		F										
Municipal Transformation and Organisational Development	Good Corporate Governance	G		433	2,109	2,109	4,500	4,500	4,500	4,500	2,499	2,633
		H										
Good governance and public participation	Good Corporate Governance	I		777	820	2,613	4,172	3,483	3,483	3,483	2,348	2,475
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	27,315	33,657	82,653	132,916	101,719	101,719	136,121	143,472	151,218

Table SA8 – Performance indicators and benchmarks

MP301 Albert Luthuli - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	1.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-0.6%	0.9%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.2%	3.7%	2.6%	0.2%	0.2%	0.2%	0.2%	0.4%	0.4%	0.4%
Liquidity											
Current Ratio	Current assets/current liabilities	2.0	2.1	1.1	4.4	5.0	5.0	5.0	3.0	5.1	12.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.0	2.1	1.1	4.4	5.0	5.0	5.0	3.0	5.1	12.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.9	0.4	1.1	1.8	1.8	1.8	2.3	3.9	9.8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		129.4%	54.5%	115.7%	90.8%	90.3%	90.3%	90.3%	77.7%	77.8%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			68.6%	54.5%	87.8%	90.8%	90.3%	90.3%	90.3%	77.7%	77.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	24.3%	22.0%	14.2%	40.8%	42.1%	42.1%	42.1%	7.5%	7.1%	6.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		-510.9%	220.9%	549.9%	157.0%	14.6%	14.6%	14.6%	10.0%	2.8%	0.7%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	Total Volume Losses (kℓ)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.5%	27.0%	24.8%	33.8%	32.3%	32.3%	32.3%	32.9%	32.8%	32.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31.4%	33.2%	28.2%	39.1%	38.0%	38.0%		38.5%	36.2%	33.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	6.6%	8.4%	8.4%		6.8%	6.8%	6.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	38.9%	36.9%	29.5%	0.8%	0.9%	0.9%	0.9%	0.0%	0.0%	0.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	22.3	25.2	40.1	21.6	21.6	21.6	95.0	96.2	96.4	101.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	127.8%	124.8%	97.4%	159.2%	172.0%	172.0%	172.0%	33.4%	31.7%	30.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.5)	0.6	0.5	1.3	13.8	13.8	13.8	15.5	32.0	48.1

Table SA9 – Social, economic and demographic statistic assumptions

MP301 Albert Luthuli - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population				188	194	194	194	194	194	194		
Females aged 5 - 14				19	27	27	27	27	27	27		
Males aged 5 - 14				19	26	26	26	26	26	26		
Females aged 15 - 34				36	35	35	35	35	35	35		
Males aged 15 - 34				36	32	32	32	32	32	32		
Unemployment				35	74	74	74	74	74	74		
Monthly household income (no. of households)	1, 12											
No income					94,586	94,586	94,586	94,586	94,586	94,586		
R1 - R1 600					87,570	87,570	87,570	87,570	87,570	87,570		
R1 601 - R3 200					2,796	2,796	2,796	2,796	2,796	2,796		
R3 201 - R6 400					2,738	2,738	2,738	2,738	2,738	2,738		
R6 401 - R12 800					1,978	1,978	1,978	1,978	1,978	1,978		
R12 801 - R25 600					236	236	236	236	236	236		
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area					187,936	187,936	187,936	187,936	187,936	187,936		
Number of poor people in municipal area					73,859	73,859	73,859	73,859	73,859	73,859		
Number of households in municipal area					39,675	39,675	39,675	39,675	39,675	39,675		
Number of poor households in municipal area					15,870	15,870	15,870	15,870	15,870	15,870		
Definition of poor household (R per month)												
Housing statistics	3											
Formal					42,912	42,912	42,912	42,912	42,912	42,912		
Informal					1,073	1,073	1,073	1,073	1,073	1,073		
Total number of households			-	-	43,985	43,985	43,985	43,985	43,985	43,985	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPI)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Table SA10 – Funding measurement

MP301 Albert Luthuli Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(4,935)	9,539	9,203	19,756	212,978	212,978	212,978	259,466	565,499	897,482
Cash + investments at the yr end less applications - R'000	18(1)b	2	35,027	27,405	8,378	96,028	115,260	115,260	115,260	48,071	60,734	72,753
Cash year end/monthly employee/supplier payments	18(1)b	3	(0.5)	0.6	0.5	1.3	13.8	13.8	13.8	15.5	32.0	48.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(17,496)	(55,486)	(51,594)	(0)	0	0	0	3,967	4,356	4,591
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	(0.3%)	(1.3%)	26.9%	(15.1%)	(6.0%)	(6.0%)	(8.4%)	(0.6%)	(0.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	68.6%	54.5%	87.8%	90.8%	90.3%	90.3%	90.3%	77.7%	77.8%	77.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	18.3%	69.9%	62.6%	24.3%	28.6%	28.6%	28.6%	26.3%	26.3%	26.3%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	(85.6%)	0.0%	0.0%	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	3.1%	(18.4%)	115.6%	(1.8%)	0.0%	0.0%	(81.0%)	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	2.2%	2.6%	2.6%	2.3%	2.1%	2.2%	2.3%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table SA14 – Household bills

Table SA15 – Investment particulars by type

MP301 Albert Luthuli - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		41,095	32,912	14,278	23,214	23,214	23,214	25,535	28,088	30,897
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	41,095	32,912	14,278	23,214	23,214	23,214	25,535	28,088	30,897
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		41,095	32,912	14,278	23,214	23,214	23,214	25,535	28,088	30,897

Table SA16 – Investment particulars by maturity

MP301 Albert Luthuli - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	1	Yrs/Months								Rand thousand	
Parent municipality											
Sanlam			Guaranteed Capital						No maturity date	2,025	
Rand Merchant Bank			RMB Money Market						25 May 2002	2,136	
Stanlib			Money Market						No maturity date	21,265	
Stanlib			Stanlib Extra Income						No maturity date	109	
Sanlam			Listed Investment								
Municipality sub-total										25,535	-
Entities											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST	1									25,535	-

Table SA17 – Borrowing

MP301 Albert Luthuli - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Table SA18 – Transfer and grant receipts

MP301 Albert Luthuli - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		85,011	117,041	151,269	171,064	163,051	165,082	174,845	186,937	216,831
Local Government Equitable Share		72,980	95,984	141,281	159,110	152,385	159,110	164,743	180,330	209,868
Finance Management		1,250	3,000	1,250	1,250	1,250	1,250	1,550	1,600	1,650
Municipal Systems Improvement		735	735	790	860	860	860	890	934	967
Water Services Operating Subsidy		10,046	17,322	7,071	1,288					
EPWP Incentive				877	4,694	4,694		3,785		
MIG Operation					3,862	3,862	3,862	3,877	4,073	4,346
Provincial Government:		-	-	-	-	-	-	-	-	-
MIG Operation										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	85,011	117,041	151,269	171,064	163,051	165,082	174,845	186,937	216,831
Capital Transfers and Grants										
National Government:		64,882	62,130	66,170	96,431	97,719	97,719	121,456	160,396	178,482
Municipal Infrastructure Grant (MIG)		45,373	54,630	63,670	73,374	73,374	73,374	73,666	77,389	82,583
Regional Bulk Infrastructure		6,954	5,000		6,857	8,145	8,145	25,000	64,000	68,000
Department of Energy		12,555	2,500	2,500	16,200	16,200	16,200	12,260 10,530	9,007 10,000	7,899 20,000
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	64,882	62,130	66,170	96,431	97,719	97,719	121,456	160,396	178,482
TOTAL RECEIPTS OF TRANSFERS & GRANTS		149,893	179,171	217,439	267,495	260,770	262,801	296,301	347,333	395,313

Table SA19 – Expenditure on transfers and grant programme

MP301 Albert Luthuli - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		85,011	117,056	128,342	171,064	159,663	166,388	174,845	186,937	216,831
Local Government Equitable Share		72,980	95,984	119,231	159,110	152,385	159,110	164,743	180,330	209,868
Finance Management		1,250	3,000	1,250	1,250	1,250	1,250	1,550	1,600	1,650
Municipal Systems Improvement		735	750	790	860	860	860	890	934	967
Water Services Operating Subsidy		10,046	17,322	7,071	1,288					
EPWP Incentive					4,694	1,306	1,306	3,785		
MIG Operation					3,862	3,862	3,862	3,877	4,073	4,346
Provincial Government:		-	-	-	-	-	-	-	-	-
MIG Operation										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		85,011	117,056	128,342	171,064	159,663	166,388	174,845	186,937	216,831
Capital expenditure of Transfers and Grants										
National Government:		64,882	62,130	66,170	96,431	97,719	97,719	121,456	160,396	178,482
Municipal Infrastructure Grant (MIG)		45,373	54,630	63,670	73,374	73,374	73,374	73,666	77,389	82,583
Regional Bulk Infrastructure		6,954	5,000		6,857	8,145	8,145	25,000	64,000	68,000
Department of Energy		12,555	2,500	2,500	16,200	16,200	16,200	12,260 10,530	9,007 10,000	7,899 20,000
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		64,882	62,130	66,170	96,431	97,719	97,719	121,456	160,396	178,482
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		149,893	179,186	194,512	267,495	257,382	264,107	296,301	347,333	395,313

Table SA20 – Reconciliation of transfers, grant receipts and unspent funds

MP301 Albert Luthuli - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		85,011	117,041	151,269	171,064	159,663	166,388	174,845	186,937	216,831
Conditions met - transferred to revenue		85,011	117,041	151,269	171,064	159,663	166,388	174,845	186,937	216,831
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		85,011	117,041	151,269	171,064	159,663	166,388	174,845	186,937	216,831
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		64,882	62,130	66,170	96,431	97,719	97,719	121,456	160,396	178,482
Conditions met - transferred to revenue		41,910	37,717	60,697	96,431	97,719	97,719	121,456	160,396	178,482
Conditions still to be met - transferred to liabilities		22,972	24,413	5,473						
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		41,910	37,717	60,697	96,431	97,719	97,719	121,456	160,396	178,482
Total capital transfers and grants - CTBM	2	22,972	24,413	5,473	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		126,921	154,758	211,966	267,495	257,382	264,107	296,301	347,333	395,313
TOTAL TRANSFERS AND GRANTS - CTBM		22,972	24,413	5,473	-	-	-	-	-	-

Table SA21 – Transfers and grants made

MP301 Albert Luthuli - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
<u>Cash Transfers to other municipalities</u>											
<i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Entities/Other External Mechanisms</u>											
<i>Insert description</i>	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to other Organs of State</u>											
<i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Organisations</u>											
<i>Insert description</i>	4										
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Groups of Individuals</u>											
<i>Insert description</i>	5										
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other municipalities</u>											
<i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to Entities/Other External Mechanisms</u>											
<i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other Organs of State</u>											
<i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Grants to Organisations</u>											
<i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
<u>Groups of Individuals</u>											
<i>Insert description</i>	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-

Table SA22 – Summary councillor and staff benefits

MP301 Albert Luthuli - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4,808	5,978	7,028	7,633	7,633	7,633	8,152	8,592	9,099
Pension and UIF Contributions		1,552	1,733	974	1,293	1,293	1,293	1,396	1,471	1,558
Medical Aid Contributions		84	156	97	174	174	174	188	198	210
Motor Vehicle Allowance		2,100	2,483	2,682	3,362	3,362	3,362	3,631	3,827	4,052
Cellphone Allowance		463	553	621	768	768	768	922	972	1,029
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		9,007	10,903	11,402	13,230	13,230	13,230	14,288	15,060	15,948
% increase	4		21.1%	4.6%	16.0%	-	-	8.0%	5.4%	5.9%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3,193	3,444	2,066	3,848	3,713	3,713	4,010	4,227	4,455
Pension and UIF Contributions		983	1,059	847	1,183	1,115	1,115	1,204	1,269	1,338
Medical Aid Contributions		106	127	136	142	142	142	153	161	170
Overtime					-	-	-	-	-	-
Performance Bonus					-	-	-	-	-	-
Motor Vehicle Allowance	3	553	553	332	617	537	537	580	612	645
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		4,835	5,182	3,381	5,790	5,507	5,507	5,948	6,269	6,607
% increase	4		7.2%	(34.8%)	71.3%	(4.9%)	-	8.0%	5.4%	5.4%
Other Municipal Staff										
Basic Salaries and Wages		39,693	46,346	50,909	53,871	50,419	50,419	59,115	58,081	56,762
Pension and UIF Contributions		9,813	8,569	8,686	7,431	7,380	7,380	8,562	7,755	6,837
Medical Aid Contributions			2,705	2,945	3,025	3,130	3,130	2,455	2,426	2,387
Overtime		2,431	5,015	4,127	4,570	2,460	2,460	1,992	2,099	2,213
Performance Bonus										
Motor Vehicle Allowance	3		3,073	3,519	4,770	4,163	4,163	3,723	3,312	2,846
Cellphone Allowance	3									
Housing Allowances	3	68	55	717	84	84	84	71	75	79
Other benefits and allowances	3	4,412	2,351	2,276	2,302	1,300	1,300	474	499	526
Payments in lieu of leave		1,393	2,189	3,698	1,189	1,163	1,163			
Long service awards		143	61	344	264	264	264	282	298	314
Post-retirement benefit obligations	6		46	768						
Sub Total - Other Municipal Staff		57,952	70,409	77,985	77,507	70,363	70,363	76,674	74,545	71,963
% increase	4		21.5%	10.8%	(0.6%)	(9.2%)	-	9.0%	(2.8%)	(3.5%)
Total Parent Municipality		71,793	86,494	92,768	96,526	89,100	89,100	96,910	95,874	94,519
			20.5%	7.3%	4.1%	(7.7%)	-	8.8%	(1.1%)	(1.4%)
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		71,793	86,494	92,768	96,526	89,100	89,100	96,910	95,874	94,519
% increase	4		20.5%	7.3%	4.1%	(7.7%)	-	8.8%	(1.1%)	(1.4%)
TOTAL MANAGERS AND STAFF	5,7	62,786	75,591	81,366	83,296	75,870	75,870	82,621	80,814	78,570

Table SA23 – Salaries, allowances and benefits – councillors and senior managers

MP301 Albert Luthuli - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum	No.	1.					2.
Councillors	3						
Speaker	4	352,276	58,281	159,410			569,967
Chief Whip		330,259	58,281	150,776			539,316
Executive Mayor		440,345	77,708	193,947			712,000
Deputy Executive Mayor							-
Executive Committee		990,777	174,843	452,329			1,617,949
Total for all other councillors		7,507,894	1,328,808	2,013,000			10,849,702
Total Councillors	8	-	9,621,551	1,697,921	2,969,463		14,288,935
Senior Managers of the Municipality	5						
Municipal Manager (MM)		789,695	423,807	84,000			1,297,501
Chief Finance Officer		649,631	67,200	84,000			800,831
Technical Director		649,631	67,200	84,000			800,831
Director Public Safety		649,631	67,200	84,000			800,831
Director PED		649,631	67,200	84,000			800,831
Director Community Services & Corporate Services		1,145,107	134,400	168,000			1,447,507
List of each official with packages >= senior manager							-
							-
							-
							-
							-
							-
							-
							-
Total Senior Managers of the Municipality	8,10	-	4,533,324	827,007	588,000	-	5,948,331
A Heading for Each Entity	6,7						
List each member of board by designation							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
Total for municipal entities	8,10	-	-	-	-	-	-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	14,154,875	2,524,928	3,557,463	-	20,237,266

Table SA24 – Summary of personnel numbers

MP301 Albert Luthuli - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2011/12			Current Year 2012/13			Budget Year 2013/14		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			44		44	44		44	44		44
Board Members of municipal entities	4		-			-			-		
Municipal employees											
Municipal Manager and Senior Managers	5		-			-			-		
Other Managers	3		7		7	7		7	7		7
Professionals	7		44	41	3	44	41	3	44	41	3
Finance			37	34	1	37	34	1	37	34	1
Spatial/town planning			5	5		5	5		5	5	
Information Technology			2	2		2	2		2	2	
Roads					1			1			1
Electricity											
Water											
Sanitation											
Refuse											
Other					1			1			1
Technicians			306	306	-	316	316	-	316	316	-
Finance			-	-		-	-		-	-	
Spatial/town planning			-	-		-	-		-	-	
Information Technology			3	3		3	3		3	3	
Roads			44	44		44	44		44	44	
Electricity			12	12		12	12		12	12	
Water			87	87		87	87		87	87	
Sanitation			14	14		14	14		14	14	
Refuse			26	26		26	26		26	26	
Other			120	120		130	130		130	130	
Clerks (Clerical and administrative)			12	12		12	12		12	12	
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators											
Elementary Occupations											
TOTAL PERSONNEL NUMBERS		9	413	359	54	423	369	54	423	369	54
% increase						2.4%	2.8%	-	-	-	-
Total municipal employees headcount		6, 10									
Finance personnel headcount		8, 10									
Human Resources personnel headcount		8, 10									

Table SA25 – Budget monthly revenue and expenditure

Revenue		Expenditure	
2019/20	2020/21	2019/20	2020/21
Revenue			
1. Local taxes		1. Local taxes	
2. Business rates		2. Business rates	
3. Council tax		3. Council tax	
4. Other taxes		4. Other taxes	
5. Grants		5. Grants	
6. Other income		6. Other income	
7. Total revenue		7. Total revenue	
Expenditure			
8. Social services		8. Social services	
9. Housing		9. Housing	
10. Other services		10. Other services	
11. Total expenditure		11. Total expenditure	
12. Surplus/Deficit		12. Surplus/Deficit	

MP301 Albert Luthuli - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2013/14											Medium Term Revenue and Expenditure Framework			
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source																	
Property rates			2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,676	2,676	32,107	33,841	35,668
Property rates - penalties & collection charges			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue			1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	14,308	15,081	15,895
Service charges - water revenue			281	281	281	281	281	281	281	281	281	281	281	281	3,370	3,552	3,744
Service charges - sanitation revenue			293	293	293	293	293	293	293	293	293	293	293	293	3,517	3,707	3,907
Service charges - refuse revenue			230	230	230	230	230	230	230	230	230	230	230	230	2,758	2,907	3,064
Service charges - other			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment			15	15	15	15	15	15	15	15	15	15	15	15	175	184	194
Interest earned - external investments			63	63	63	63	63	63	63	63	63	63	63	63	756	796	839
Interest earned - outstanding debtors			1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,408	1,408	16,896	17,808	18,770
Dividends received			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines			107	107	107	107	107	107	107	107	107	107	107	107	1,280	1,349	1,422
Licences and permits			88	88	88	88	88	88	88	88	88	88	88	88	1,061	1,118	1,178
Agency services			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers recognised - operational			14,570	14,570	14,570	14,570	14,570	14,570	14,570	14,570	14,570	14,570	14,570	14,570	174,845	184,287	194,238
Other revenue			30	30	30	30	30	30	30	30	30	30	30	30	359	554	584
Gains on disposal of PPE			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)			20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	251,432	265,184	279,504
Expenditure By Type																	
Employee related costs			6,885	6,885	6,885	6,885	6,885	6,885	6,885	6,885	6,885	6,885	6,885	6,885	82,621	87,083	91,785
Remuneration of councillors			1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	14,288	15,060	15,873
Debt impairment			1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	14,818	15,618	16,462
Depreciation & asset impairment			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Finance charges			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bulk purchases			3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	39,789	41,938	44,202
Other materials			1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	15,032	15,844	16,699
Contracted services			1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	1,611	19,334	20,378	21,479
Transfers and grants			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenditure			5,132	5,132	5,132	5,132	5,132	5,132	5,132	5,132	5,132	5,132	5,132	5,132	61,583	64,908	68,413
Loss on disposal of PPE			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure			20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	247,466	260,829	274,914
Surplus/(Deficit)			331	331	331	331	331	331	331	331	331	331	331	331	3,967	4,356	4,591
Transfers recognised - capital			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contributions recognised - capital			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contributed assets			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions			331	331	331	331	331	331	331	331	331	331	331	331	3,967	4,356	4,591
Taxation			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1		331	331	331	331	331	331	331	331	331	331	331	331	3,967	4,356	4,591

Table SA26 - Budget monthly revenue and expenditure (municipal vote)

MP301 Albert Luthuli - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description		Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote																	
Vote 1 - Planning and Economic Development			11	11	11	11	11	11	11	11	11	11	11	11	135	142	150
Vote 2 - Corporate Services			15	15	15	15	15	15	15	15	15	15	15	15	175	184	191
Vote 3 - Community Services			239	239	239	239	239	239	239	239	239	239	239	239	2,862	3,017	3,180
Vote 4 - Finance			18,084	18,084	18,084	18,084	18,084	18,084	18,084	18,084	18,084	18,084	18,084	18,084	217,005	228,723	241,074
Vote 5 - Public Safety			200	200	200	200	200	200	200	200	200	200	200	200	2,398	2,527	2,664
Vote 6 - Technical Services			2,405	2,405	2,405	2,405	2,405	2,405	2,405	2,405	2,405	2,405	2,405	2,405	28,857	30,591	32,242
Vote 7 - Municipal Manager			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Council General			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote			20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	251,432	265,184	279,504
Expenditure by Vote to be appropriated																	
Vote 1 - Planning and Economic Development			987	987	987	987	987	987	987	987	987	987	987	987	11,848	12,488	13,163
Vote 2 - Corporate Services			1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	18,799	19,814	20,884
Vote 3 - Community Services			1,873	1,873	1,873	1,873	1,873	1,873	1,873	1,873	1,873	1,873	1,873	1,873	22,477	23,691	24,970
Vote 4 - Finance			2,594	2,594	2,594	2,594	2,594	2,594	2,594	2,594	2,594	2,594	2,594	2,594	31,131	32,812	34,584
Vote 5 - Public Safety			1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	22,139	23,334	24,594
Vote 6 - Technical Services			8,454	8,454	8,454	8,454	8,454	8,454	8,454	8,454	8,454	8,454	8,454	8,454	101,442	106,920	112,694
Vote 7 - Municipal Manager			634	634	634	634	634	634	634	634	634	634	634	634	7,611	8,022	8,456
Vote 8 - Council General			2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	32,017	33,746	35,569
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote			20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	247,466	260,829	274,914
Surplus/(Deficit) before assoc.			331	331	331	331	331	331	331	331	331	331	331	331	3,967	4,356	4,591
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)			331	331	331	331	331	331	331	331	331	331	331	331	3,967	4,356	4,591

Table SA27 – Budget monthly revenue and expenditure by classification

MP301 Albert Luthuli - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description		Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard																	
Governance and administration			18,098	18,098	18,098	18,098	18,098	18,098	18,098	18,098	18,098	18,098	18,098	18,098	217,180	228,907	241,268
Executive and council															-	-	-
Budget and treasury office			18,084	18,084	18,084	18,084	18,084	18,084	18,084	18,084	18,084	18,084	18,084	18,084	217,005	228,723	241,074
Corporate services			15	15	15	15	15	15	15	15	15	15	15	15	175	184	194
Community and public safety			120	120	120	120	120	120	120	120	120	120	120	120	1,441	1,519	1,601
Community and social services			9	9	9	9	9	9	9	9	9	9	9	9	104	110	116
Sport and recreation			-												-	-	-
Public safety			111	111	111	111	111	111	111	111	111	111	111	111	1,337	1,409	1,485
Housing			-												-	-	-
Health			-												-	-	-
Economic and environmental services			415	415	415	415	415	415	415	415	415	415	415	415	4,981	5,250	5,533
Planning and development			11	11	11	11	11	11	11	11	11	11	11	11	135	142	150
Road transport			404	404	404	404	404	404	404	404	404	404	404	404	4,846	5,107	5,383
Environmental protection			-												-	-	-
Trading services			1,996	1,996	1,996	1,996	1,996	1,996	1,996	1,996	1,996	1,996	1,996	1,996	23,954	25,247	26,611
Electricity			1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	14,308	15,081	15,895
Water			281	281	281	281	281	281	281	281	281	281	281	281	3,370	3,552	3,744
Waste water management			293	293	293	293	293	293	293	293	293	293	293	293	3,517	3,707	3,907
Waste management			230	230	230	230	230	230	230	230	230	230	230	230	2,758	2,907	3,064
Other			323	323	323	323	323	323	323	323	323	323	323	323	3,877	4,261	4,491
Total Revenue - Standard			20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	20,953	251,432	265,184	279,504
Expenditure - Standard																	
Governance and administration			7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	94,860	99,982
Executive and council			3,302	3,302	3,302	3,302	3,302	3,302	3,302	3,302	3,302	3,302	3,302	3,302	39,629	41,769	44,024
Budget and treasury office			2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	31,572	33,277	35,074
Corporate services			1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	18,799	19,814	20,884
Community and public safety			2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	29,948	31,565	33,270
Community and social services			685	685	685	685	685	685	685	685	685	685	685	685	8,224	8,668	9,136
Sport and recreation			454	454	454	454	454	454	454	454	454	454	454	454	5,451	5,745	6,056
Public safety			1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356	1,356	16,273	17,152	18,078
Housing			-												-	-	-
Health			-												-	-	-
Economic and environmental services			3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	40,463	42,647	44,950
Planning and development			1,476	1,476	1,476	1,476	1,476	1,476	1,476	1,476	1,476	1,476	1,476	1,476	17,714	18,671	19,679
Road transport			1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	13,946	14,699	15,493
Environmental protection			734	734	734	734	734	734	734	734	734	734	734	734	8,802	9,278	9,779
Trading services			6,638	6,638	6,638	6,638	6,638	6,638	6,638	6,638	6,638	6,638	6,638	6,638	79,653	83,954	88,488
Electricity			4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	4,380	52,558	55,396	58,387
Water			1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	1,839	22,074	23,266	24,522
Waste water management			418	418	418	418	418	418	418	418	418	418	418	418	5,022	5,293	5,579
Waste management			-												-	-	-
Other			617	617	617	617	617	617	617	617	617	617	617	617	7,402	7,802	8,223
Total Expenditure - Standard			20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	20,622	247,466	260,829	274,914
Surplus/(Deficit) before assoc.			331	331	331	331	331	331	331	331	331	331	331	331	3,967	4,356	4,591
Share of surplus/ (deficit) of associate															-	-	-
Surplus/(Deficit)			331	331	331	331	331	331	331	331	331	331	331	331	3,967	4,356	4,591

Table SA28 - Budgeted monthly capital expenditure (municipal vote)

MP301 Albert Luthuli - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Planning and Economic Development													-	-	-	-
Vote 2 - Corporate Services		144	144	144	144	144	144	144	144	144	144	144	144	1,733	1,827	1,925
Vote 3 - Community Services		707	707	707	707	707	707	707	707	707	707	707	707	8,483	8,941	9,424
Vote 4 - Finance		12	12	12	12	12	12	12	12	12	12	12	12	144	151	160
Vote 5 - Public Safety		208	208	208	208	208	208	208	208	208	208	208	208	2,499	2,633	2,776
Vote 6 - Technical Services		10,221	10,221	10,221	10,221	10,221	10,221	10,221	10,221	10,221	10,221	10,221	10,221	122,647	129,270	136,251
Vote 7 - Municipal Manager		22	22	22	22	22	22	22	22	22	22	22	22	265	279	294
Vote 8 - Council General		29	29	29	29	29	29	29	29	29	29	29	29	350	369	389
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	136,121	143,471	151,219
Single-year expenditure to be appropriated																
Vote 1 - Planning and Economic Development													-	-	-	-
Vote 2 - Corporate Services													-	-	-	-
Vote 3 - Community Services													-	-	-	-
Vote 4 - Finance													-	-	-	-
Vote 5 - Public Safety													-	-	-	-
Vote 6 - Technical Services													-	-	-	-
Vote 7 - Municipal Manager													-	-	-	-
Vote 8 - Council General													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	136,121	143,471	151,219

Table SA29 – Budgeted monthly capital expenditure

MP301 Albert Luthuli - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		186	186	186	186	186	186	186	186	186	186	186	186	2,227	3,429	3,615
Executive and council		29	29	29	29	29	29	29	29	29	29	29	29	350	539	568
Budget and treasury office		12	12	12	12	12	12	12	12	12	12	12	12	144	221	233
Corporate services		144	144	144	144	144	144	144	144	144	144	144	144	1,733	2,669	2,813
<i>Community and public safety</i>		208	208	208	208	208	208	208	208	208	208	208	208	2,499	2,633	2,776
Community and social services														–	–	–
Sport and recreation														–	–	–
Public safety		208	208	208	208	208	208	208	208	208	208	208	208	2,499	2,633	2,776
Housing														–	–	–
Health														–	–	–
<i>Economic and environmental services</i>		909	909	909	909	909	909	909	909	909	909	909	909	10,902	11,491	12,112
Planning and development														–	–	–
Road transport		909	909	909	909	909	909	909	909	909	909	909	909	10,902	11,491	12,112
Environmental protection														–	–	–
<i>Trading services</i>		10,019	10,019	10,019	10,019	10,019	10,019	10,019	10,019	10,019	10,019	10,019	10,019	120,228	126,720	133,563
Electricity		1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	18,186	19,168	20,203
Water		7,066	7,066	7,066	7,066	7,066	7,066	7,066	7,066	7,066	7,066	7,066	7,066	84,792	89,371	94,197
Waste water management		731	731	731	731	731	731	731	731	731	731	731	731	8,767	9,241	9,740
Waste management		707	707	707	707	707	707	707	707	707	707	707	707	8,483	8,941	9,424
<i>Other</i>		22	22	22	22	22	22	22	22	22	22	22	22	264	278	293
Total Capital Expenditure - Standard	2	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	11,343	136,120	144,553	152,358

Table SA34a – Capital Expenditure on new assets

MP301 Albert Luthuli - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		24,481	30,198	66,328	96,397	101,719	101,719	131,131	138,212	145,675
Infrastructure - Road transport		415	-	-	28,487	30,895	30,895	10,902	11,491	12,112
Roads, Pavements & Bridges		415			28,487	30,895	30,895	10,902	11,491	12,112
Storm water										
Infrastructure - Electricity		5,014	4,483	4,483	22,859	21,286	21,286	18,186	19,168	20,203
Generation										
Transmission & Reticulation		5,014	4,483	4,483	22,859	21,286	21,286	18,186	19,168	20,203
Street Lighting										
Infrastructure - Water		1,068	22,040	22,040	28,473	30,615	30,615	84,792	89,371	94,197
Dams & Reservoirs										
Water purification										
Reticulation		1,068	22,040	22,040	28,473	30,615	30,615	84,792	89,371	94,197
Infrastructure - Sanitation		17,984	3,459	3,459	11,122	11,122	11,122	8,767	9,241	9,740
Reticulation		130	3,459	3,459	11,122	11,122	11,122	8,767	9,241	9,740
Sewerage purification		17,854								
Infrastructure - Other		-	216	36,346	4,456	7,800	7,800	8,483	8,941	9,424
Waste Management			216							
Transportation										
Gas										
Other				36,346	4,456	7,800	7,800	8,483	8,941	9,424
Community		2,834	3,459	16,325	10,323	-	-	4,990	5,260	5,544
Parks & gardens		48	506		491			4,990	5,260	5,544
Sportsfields & stadia										
Swimming pools										
Community halls					202					
Libraries										
Recreational facilities										
Fire, safety & emergency		433	2,109	2,109	8,430					
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries		241			1,200					
Social rental housing										
Other		2,112	844	14,215						
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	26,196	-	-	-	-	-
General vehicles					7,336					
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment					8,824					
Computers - hardware/equipment					4,262					
Furniture and other office equipment					5,775					
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on new assets	1	27,315	33,657	82,653	132,916	101,719	101,719	136,121	143,471	151,219

Table SA34c – Repairs and maintenance Expenditure by asset class

MP301 Albert Luthuli - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	14,766	18,306	18,306	15,706	16,555	17,449
Infrastructure - Road transport		-	-	-	7,189	7,189	7,189	5,885	6,203	6,538
Roads, Pavements & Bridges					7,189	7,189	7,189	5,885	6,203	6,538
Storm water										
Infrastructure - Electricity		-	-	-	3,405	4,050	4,050	3,975	4,189	4,415
Generation										
Transmission & Reticulation					3,405	4,050	4,050	3,975	4,189	4,415
Street Lighting										
Infrastructure - Water		-	-	-	4,172	7,067	7,067	5,847	6,163	6,495
Dams & Reservoirs										
Water purification					4,172	7,067	7,067	5,847	6,163	6,495
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas	3									
Other										
Community		-	-	-	1,465	1,348	1,348	1,381	1,456	1,534
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other					1,465	1,348	1,348	1,381	1,456	1,534
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	-	-	-	16,231	19,654	19,654	17,087	18,010	18,983

Table SA34d – Depreciation by Asset Class

MP301 Albert Luthuli - Supporting Table SA34d Depreciation by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		83,958	90,910	90,634	2,000	2,000	2,000	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		83,958	90,910	90,634	2,000	2,000	2,000	-	-	-
Waste Management										
Transportation										
Gas										
Other		83,958	90,910	90,634	2,000	2,000	2,000			
Community		153	620	620	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other		153	620	620						
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		4,580	4,565	4,937	-	-	-	-	-	-
General vehicles										
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		4,388	4,125	4,096						
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings		182	359	583						
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other			81	257						
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Depreciation	1	88,691	96,095	96,190	2,000	2,000	2,000	-	-	-

Table SA35 – Future Financial Implication on capital budget

MP301 Albert Luthuli - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Planning and Economic Development		-	-	-				
Vote 2 - Corporate Services		1,733	1,827	1,925				
Vote 3 - Community Services		8,483	8,941	9,424				
Vote 4 - Finance		144	151	160				
Vote 5 - Public Safety		2,499	2,633	2,776				
Vote 6 - Technical Services		122,647	129,270	136,251				
Vote 7 - Municipal Manager		265	279	294				
Vote 8 - Council General		350	369	389				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		136,121	143,471	151,219	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Planning and Economic Development								
Vote 2 - Corporate Services								
Vote 3 - Community Services								
Vote 4 - Finance								
Vote 5 - Public Safety								
Vote 6 - Technical Services								
Vote 7 - Municipal Manager								
Vote 8 - Council General								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		136,121	143,471	151,219	-	-	-	-

Table SA36 – Detailed Capital expenditure

MP301 Albert Luthuli - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	4				6	3	3	5		Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality: List all capital projects grouped by Municipal Vote														
					Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	10,902		–		–	11,491	12,112
						Infrastructure - Electricity	Transmission & Reticulation	18,186		4,483		18,186	19,168	20,203
						Infrastructure - Water	Dams & Reservoirs	84,792		22,040		84,792	89,371	94,197
						Infrastructure - Sanitation	Sewerage purification	8,767		3,459		8,767	9,341	9,740
						Other Assets	Other	8,483		52,671		13,474	14,201	14,968
Parent Capital expenditure														
	1											136,121	143,471	151,219
Entities: List all capital projects grouped by Entity:														
Entity A Water project A														
Entity B Electricity project B														
Entity Capital expenditure														
Total Capital expenditure														
										82,653	–	136,121	143,471	151,219

Schedule 2 – Proposed Tariffs

<u>PROPOSED TARIFFS FOR 2013/2014</u>	*2012-13	*2013-14
	APPROVED	PROPOSED
	TARIFFS INC. VAT	TARIFFS INC. VAT
<u>CORPORATE SERVICES</u>		
<u>TOWN HALL OFFICES & BUILDINGS</u>		
<u>EKULINDENI, MOOIPLAAS, ELUKWATINI, CAROLINA, SILOBELA</u>		
<u>STEYNSDORP, MANZANA AND TJAKASTAD</u>		
<u>RESIDENTS RESIDING WITHIN THE MUNICIPAL AREA</u>		
<u>RENTAL</u>		
Dance, Wedding, Reception, Film shows	266.50	285.16
Public meetings - Political	266.50	285.16
Public meetings - Community	177.67	190.11
Public meetings - Business	368.03	393.79
Concerts and drama shows - Professional	368.03	393.79
Concerts and drama shows - amateur	145.94	156.16
Music - vocals	145.94	156.16
Music - instruments	368.03	393.79
Registered welfare organisations	-	-
Non-registered welfare organisations	145.94	156.16
Community awareness - government	FREE	FREE
Community awareness - non-government organisations	145.94	156.16
Week-end camps - churches	266.50	285.16
Week-end camps - other	444.17	475.26
Creches, nursery schools & grade R	158.63	169.74
	-	-
<u>PEOPLE/INSTITUTIONS OUTSIDE THE MUNICIPAL AREA</u>	-	-
<u>RENTAL</u>	-	-
Dance, Wedding, Reception, Film shows	444.17	475.26
Public meetings - Political	444.17	475.26

Public meetings - Community	368.03	393.79
Public meetings - Business	590.11	631.42
Concerts and drama shows - Professional	590.11	631.42
Concerts and drama shows - amateur	266.50	285.16
Music - vocals	266.50	285.16
Music - instruments	583.77	624.63
Registered welfare organisations	291.88	312.32
Non-registered welfare organisations	145.94	156.16
Community awareness - government	FREE	FREE
Community awareness - non-government organisations	310.92	332.68
Week-end camps - churches	368.03	393.79
Week-end camps - other	583.77	624.63
Creches, nursery schools & grade R	263.97	282.44
		-
TOWN HALL OFFICES & BUILDINGS		-
MAYFLOWER, FERNIE-A&B, GLENMORE, SWALLOWSNEST, DIEPDALE		-
		-
RESIDENTS RESIDING WITHIN THE MUNICIPAL AREA		-
RENTAL		-
Dance, Wedding, Reception, Film shows	279.44	307.38
Public meetings - Political	279.44	307.38
Public meetings - Community	186.29	204.92
Public meetings - Business	385.89	424.48
Public meetings : Political, Community, Business	FREE	FREE
Concerts and drama shows - Professional	385.89	424.48
Concerts and drama shows - amateur	153.03	168.33
Music - vocals	153.03	168.33
Music - instruments	385.89	424.48
Registered welfare organisations	153.03	168.33
Non-registered welfare organisations	113.11	124.42
Community awareness - government	FREE	FREE
Community awareness - non-government organisations	153.03	168.33
Week-end camps - churches	279.44	307.38
Week-end camps - other	465.73	512.31
Creches, nursery schools & grade R	166.33	182.97
	-	-

PEOPLE/INSTITUTIONS OUTSIDE THE MUNICIPAL AREA	-	-
RENTAL	-	-
Dance, Wedding, Reception, Film shows	465.73	512.31
Public meetings - Political	465.73	512.31
Public meetings - Community	385.89	424.48
Public meetings - Business	618.76	680.64
Concerts and drama shows - Professional	618.76	680.64
Concerts and drama shows - amateur	279.44	307.38
Music - vocals	279.44	307.38
Music - instruments	612.11	673.32
Registered welfare organisations	306.05	336.66
Non-registered welfare organisations	153.03	168.33
Community awareness - government	FREE	FREE
Community awareness - non-government organisations	326.01	358.62
Week-end camps - churches	385.89	424.48
Week-end camps - other	612.11	673.32
Creches, nursery schools & grade R	276.78	304.46
		-
		-
STADIUM		-
ELUKWATINI		-
RESIDENTS RESIDING WITHIN THE MUNICIPAL AREA		-
RENTAL		-
Public meetings - Political	1,798.25	1,978.07
Public meetings - Community	1,345.45	1,480.00
Public meetings - Business	1,552.45	1,707.69
Concerts and drama shows - Professional	297.55	327.31
Concerts and drama shows - amateur	226.40	249.04
Music - vocals	1,125.52	1,238.08
Music - instruments	1,345.45	1,480.00
Music: promotions and marketing - instruments	1,126.52	1,239.17
Music: promotions and marketing - vocals	523.95	576.35
Registered welfare organisations	376.17	413.79
Non-registered welfare organisations	376.17	413.79
Community awareness - government	FREE	FREE
Community awareness - non-government organisations	148.78	163.65

Churches	970.28	1,067.31
Soccer : Proffessional	1,345.45	1,480.00
Soccer : Amateur	452.80	498.08
Soccer : Schools	267.80	294.58
	-	-
PEOPLE/INSTITUTIONS OUTSIDE THE MUNICIPAL AREA	-	-
RENTAL	-	-
Public meetings - Political	3,590.03	3,949.03
Public meetings - Community	2,690.91	2,960.00
Public meetings - Business	2,244.58	2,469.04
Concerts and drama shows - Proffessional	375.17	412.69
Concerts and drama shows - amateur	297.55	327.31
Music - vocals	1,345.45	1,480.00
Music - intruments	1,798.25	1,978.07
Music: promotions and marketing - instruments	1,500.70	1,650.77
Music: promotions and marketing - vocals	899.12	989.04
Registered welfare organistations	1,125.52	1,238.08
Non-registered welfare organisations	1,125.52	1,238.08
Community awareness - government	FREE	FREE
Community awareness - non-government organisations	226.40	249.04
Churches	1,125.52	1,238.08
Soccer : Proffessional	2,690.91	2,960.00
Soccer : Amateur	899.12	989.04
Soccer : Schools	523.95	576.35
	-	-
STADIUM	-	-
MAYFLOWER,EKULINDENI AND SILOBELA	-	-
	-	-
RESIDENTS RESIDING WITHIN THE MUNICIPAL AREA	-	-
RENTAL	-	-
Public meetings - Political	1,798.25	1,978.07
Public meetings - Community	1,345.45	1,480.00
Public meetings - Business	1,500.70	1,650.77
Concerts and drama shows - Proffessional	297.55	327.31
Concerts and drama shows - amateur	226.40	249.04
Music - vocals	1,125.52	1,238.08

Music - instruments	1,345.45	1,480.00
Music: promotions and marketing - instruments	1,125.52	1,238.08
Music: promotions and marketing - vocals	523.95	576.35
Registered welfare organisations	375.17	412.69
Non-registered welfare organisations	375.17	412.69
Community awareness - government	-	-
Community awareness - non-government organisations	148.78	163.65
Churches	976.75	1,074.42
Soccer : Professional	1,345.45	1,480.00
Soccer : Amateur	452.80	498.08
Soccer : Schools	271.68	298.85
	-	-
	-	-
PEOPLE/INSTITUTIONS OUTSIDE THE MUNICIPAL AREA	-	-
RENTAL	-	-
Public meetings - Political	3,590.03	3,949.03
Public meetings - Community	2,690.91	2,960.00
Public meetings - Business	2,244.58	2,469.04
Concerts and drama shows - Professional	375.17	412.69
Concerts and drama shows - amateur	297.55	327.31
Music - vocals	1,345.45	1,480.00
Music - instruments	1,798.25	1,978.07
Music: promotions and marketing - instruments	1,500.70	1,650.77
Music: promotions and marketing - vocals	905.59	996.15
Registered welfare organisations	1,125.52	1,238.08
Non-registered welfare organisations	1,125.52	1,238.08
Community awareness - government	FREE	FREE
Community awareness - non-government organisations	226.40	249.04
Churches	1,125.52	1,238.08
Soccer : Professional	2,690.91	2,960.00
Soccer : Amateur	899.12	989.04
Soccer : Schools	523.95	576.35
		-
		-
DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT		-
		-

BUILDING PLAN FEES		-
Approval of building plans per square meter or part thereof-Residential	10.00	10.70
Approval of building plans per square meter or part thereof-Business	15.00	16.05
Approval of building plans per square meter or part thereof-usage not included above	8.50	9.10
		-
REZONING OR SUBDIVISION		-
Residential per application	1,246.30	1,333.54
Commercial per application	1,869.45	2,000.31
Industrial per application	2,286.60	2,446.66
Farm per application	1,978.63	2,117.13
Per application not included above	2,286.60	2,446.66
SPECIAL CONSENT	-	-
Per application	1,483.20	1,587.02
Approval of building plans:construction of cellphone masts	1,978.63	2,117.13
RELAXATION OF BUILDING LINE	-	-
Per application	1,009.40	1,080.06
	-	-
CHANGE/ADDITION OF LAND	-	-
Residential to include tuckshop/tavern per application	2,719.20	2,909.54
Other changes/additions per application	2,515.26	2,691.33
Consolidation application	2,018.80	2,160.12
Inspection fees	240	256.80
Sewer	90.00	96.30
Electricity	240.00	256.80
Fencing	240.00	256.80
Building alterations	240.00	256.80
Occupation certificate	240.00	256.80
		-
COPIES FOR PLANS		-
A0 Black and White	60.00	64.20
A0 Colour	120.00	128.40
A2 Black and White	30.00	32.10
A2 Colour	60.00	64.20
A1 Black and White	45.00	48.15
A1 Colour	90.00	96.30
		-

FINANCE		-
ASSESSMENT RATES		-
		-
MARKET VALUE(cents in the rand)		-
Residential and Churches	0.01	0.01
Sectional Scheme unit used for residential	0.01	0.01
Smallholding used for residential purposes	0.01	0.01
Business zoned properties used for residential purpose only and occupied by owner	0.01	0.01
Business	0.03	0.03
Industrial	0.03	0.03
Mining	0.03	0.03
Government with a 20% rebate	0.03	0.03
Farm land used for residential	0.00	0.00
Farm land used for business & commercial	0.00	0.00
Farm land used for agricultural	0.00	0.00
Farm land used for township	0.00	0.00
Farm land used for other purposes	0.00	0.00
Public service infrastructure with a 30% reduction on market value	0.01	0.01
Private infrastructure used for residential purpose	0.01	0.01
Private infrastructure used for business and other purpose	0.02	0.02
Properties not included above	0.03	0.03
		-
		-
PROPERTY RATE REBATES		-
PENSIONERS AND DISABILITY PENSIONERS		-
Up to R13,000.00 income per annum	45%	0.48
From R13,000.01 to R14,000.00 income per annum	30%	0.32
From R14,000.01 to R15,000.00 income per annum	25%	0.27
UP TO R49,290.00 COMBINED INCOME PER ANNUM	20%	0.21
RESIDENTIAL PROPERTY WITH MARKET VALUE LESS THAN R.60,000.00		-
THAT ARE OF AN R.D.P. STANDARDS AS PER THE APPLICABLE		-
MARKET TRENDS		-
Registered in the name of a natural person	90%	0.96
		-
Government Properties	20%	0.21
		-

REBATES ON NEWLY RATEABLE PROPERTY		-
2013-14 FINANCIAL YEAR	-	
		-
NEWLY PRIVATE INFRASTRUCTURE DEVELOPMENT		-
FIRST 85% OF RATEABLE VALUATION FOR A MAXIMUM PERIOD	85%	0.91
OF 2 YEARS SUBJECT THAT ALL CONDITIONS ARE MET IN TERMS		-
OF CLAUSE 10.3.13 OF THE RATES POLICY OF COUNCIL		-
		-
RESIDENTIAL PROPERTY USED FOR		-
RESIDENTIAL PURPOSES		-
FIRST R15,000 OF THE MARKET VALUE OF SUCH A PROPERTY	R15000	R15000
		-
Service charges (flat rate)		-
(where there is no metered services)		-
Household, Churches	35.96	38.47
Business/Industry, Government	40.45	43.28
Properties not included above	40.45	43.28
		-
		-
DEPOSITS - WATER		-
Owners -New households & Defaulters	302.85	324.05
Tenants -New households & Defaulters	302.85	324.05
New Business/Industrial and defaulters	758.94	812.07
New Registered Indigents-Household Income R0.00 - R1100.00		-
		-
DEPOSITS - ELECTRICITY		-
Owners -New households & Defaulters	1,320.23	1,412.65
Tenants -New households & Defaulters	1,320.23	1,412.65
New Small Business/Industrial and defaulters	1,320.23	1,412.65
New bulk users Business/Industrial and defaulters based on average consumption		-
New Other Business/Industrial and defaulters not included above	1,966.30	2,103.94
New pre-payment users and defaulters	651.69	697.31
New Registered Indigents-Household Income R0.00 - R1100.00		-
		-
CERTIFICATES		-
		-

Clearance Memorandum Fee	64.98	69.53
Clearance Certificate Fee	2.21	2.36
Valuation Certificate Fee	5.41	5.79
		-
FEES PAYABLE IN TERMS OF THE ACCESS TO INFORMATION ACT		-
(a) In respect of the search of any index to any account not in a service register	3.92	4.19
(b) In respect of the search of any index to an account in a service register (water, sanitation, sewerage, miscellaneous debts, etc.)	2.61	2.80
(c) For the inspection of any deed, document or diagram or any details relating thereto.	-	-
(d) In respect of any search for information where a fee for such search has not been prescribed by (a), (b), or (c) above:-	-	-
for every hour or portion thereof and	-	-
per page	1.13	1.21
(e) Electronic Info - per hour or portion thereof	-	-
(f) Printing of Proof of residence	1.00	1.07
E-Mail / Stiffy - Valuation Roll or Consolidate Balance Report	140.00ph	140.00ph
DEMAND NOTICES		-
Administration fee	29.03	31.07
		-
FEES PAYABLE IN TERMS OF SUPPLY CHAIN MANAGEMENT REGISTRATION ON SUPPLIER'S DATA BASE		-
(a) category 1-professional service provider's	285.14	305.10
(b)category 2-non emerging suppliers data base(objective above R100,000.00	285.14	305.10
© category 3-emerging contractor data base (objectives between R0.00 TO R100,000.00		-
		-
TENDER DOCUMENTS		-
Payment of Bid documents for tender amount up to 2m	430.59	460.73
Payments for Bid documents from > 2m	500	535.00
		-
COMMUNITY SERVICES		-
		-
PUBLIC HEALTH ADMINISTRATION		-
		-

Registration of Food Premises	410.20	438.91
Inspection of re-registration of food premises	205.20	219.56
Hawkers licence per year	67.00	71.69
	-	-
PUBLIC HEALTH : SANITATION	-	-
	-	-
Garden refuse per load	210.00	224.70
REFUSE REMOVAL(ALL AREAS)		-
		-
Bin removal - household and churhes	53.29	57.02
Bin removal - Business	266.46	285.11
Bins removal twice a week government institutions	266.46	285.11
Bin Removal -Properties not included above	266.46	285.11
Special removal or request(bulk containers)	84.54	90.46
Special removal or request(bulk containers) per km(additional to container fee)	9.66	10.34
Special removal or request(Pets Carcasses)	50.72	54.27
Refuse removal outside working area:per kg or part thereof	8.60	9.20
		-
LIBRARIES		-
		-
FEES		-
Fines for late material (per item/week)	37.37	39.99
Photocopiers :		-
A4 (per copy)	1.03	1.10
A3 (per copy)	2.16	2.31
Membership fees renewable after three years:per adult	46.24	49.48
Membership fees renewable after three years:children(first two,rest free)	36.45	39.00
Printing		-
Black and white documents without graphics per page	1.44	1.54
Black and white documents with graphics per page	1.92	2.05
Colour documents without graphics per page	1.92	2.05
Colour documents with graphics per page	3.00	3.21
		-
Internet: Searching for 15 minutes or part thereof	31.10	33.28
E-mail		-
Sending of mail per page	7.00	7.49

Receiving per 15 minutes or part thereof	15.45	16.53
		-
CEMETRY		-
		-
HIGH LEVEL OF SERVICE:CAROLINA AND BADPLAAS		-
		-
		-
People living inside Municipla Area		-
Single grave : Adult	432.00	462.24
Children	324.00	346.68
Special grave	594.00	635.58
Single grave 8ft. deep	496.00	530.72
Re-opening	172.80	184.90
People living outside Municipal Area		-
Single grave : Adult	918.00	982.26
Children	432.00	462.24
Special grave	918.00	982.26
		-
BASIC LEVEL OF SERVICE:SILOBELA		-
		-
People living Inside Municipal Area		-
Single grave : Adult	150.00	160.50
Children	100.00	107.00
		-
People living outside Municipal area		-
Single grave : Adult	400.00	428.00
Children	250.00	267.50
		-
BASIC LEVEL OF SERVICE:ELUKWATINI/EKULINDENI		-
People living Inside Municipal Area		-
Single grave : Adult	150.00	160.50
Children	100.00	107.00
		-
People living outside Municipal area		-
Single grave : Adult	170.00	181.90
Children	120.00	128.40

		-
BASIC LEVEL OF SERVICE:EMPULUZI		-
People living Inside Municipal Area		-
Single grave : Adult	150.00	160.50
Children	100.00	107.00
		-
People living outside Municipal area		-
Single grave : Adult	170.00	181.90
Children	120.00	128.40
		-
Exhume and rebury		-
Badplaas	500.00	535.00
Carolina	500.00	535.00
Silobela	250.00	267.50
Empuluzi	250.00	267.50
Ekulindeni	250.00	267.50
Elukwatini	250.00	267.50
		-
SUNDRY TARIFFS		-
Erection of tompstone	50.00	53.50
Payment of services on pauper burial (expenditure)	1200.00	1,284.00
		-
		-
TECHNICAL SERVICES		-
		-
		-
ELECTRICITY SERVICES		-
		-
Connections		-
		-
In town : Conventional meters	Actual +18%+vat	Actual +18%+vat
Prepaid meters	Actual +15%+vat	Actual +18%+vat
Rural areas	Actual +10%+vat	Actual +18%+vat

Re-connection Fees		
During office hours	237.06	253.65
After Hours	476.52	509.88
Defaulters	476.52	509.88
Meter test fee	849.56	909.03
Test reading	204.22	218.52
Meter Test Fee		-
In Town		-
Single fase	510.55	546.29
Three Fase	680.74	728.39
Rural areas	Actual+11%+vat	Actual+11%+vat
		-
ELECTRICITY AVAILABILITY FEE :		-
VACANT ERF OR PROPERTY		-
ALL AREAS		-
PER MONTH		-
Household, Churches	203.31	217.54
Business& Government	408.37	436.96
Industry and bulk commercial users	933.39	998.73
Properties not included above	408.37	436.96
		-
ELECTRICITY AVAILABILITY FEE IMPROVED PROPERTY		-
		-
ALL AREAS		-
PER MONTH		-
Domestic Tariffs		-
Household, Churches with high usage>400kwh		-
Indigent - Block 1 (0-50)	FREE	FREE
Non Indigent Block 1 (0 - 50 kwh)	64	68.48
Block 2 (51 - 350kwh)	82	87.74
Block 3 (351 - 600kwh)	105.78	113.18
Block 4 (600+ kwh)	124.87	133.61
		-
		-
Business& Government		-

0 - 2000kwh	150	160.50
>2000 kwh	362.26	387.62
Industry users		-
0 - 43800kwh	152.1	162.75
> 43800kwh	828.01	885.97
All erven with landvalue more than R4000.00 not connected and according to Council	-	
can be connected	78.43	83.92
		-
UNIT TARIFF CONVENTIONAL METERS		-
		-
ALL AREAS		-
Household, Churches with high usage>400kwh		-
Indigent - Block 1 (0-50)	Free	Free
Non Indigent Block 1 (0 - 50 kwh)	68	73.10
Block 2 (51 - 350kwh)	85	91.38
Block 3 (351 - 600kwh)	109.33	117.53
Block 4 (600+ kwh)	129.55	139.27
		-
Industrial Tariffs		-
Basic Charge	873.37	941.49
Demand Charge	56.18	60.56
Energy Charge	160.69	173.22
All high voltage consumers per kva(bulk supply)		-
		-
Commercial Tariffs		-
Commercial Conventional : 60A		
Basic Charge	382.11	410.77
Energy Charge	95.62	102.79
		-
Commercial Prepaid :60A		-
Energy charge	130.67	140.47
		-
PRE-PAYMENT TARIFF		-
		-
Household, Churches	1.154	1.28
Fines for tampering with meters	4,332.75	4,809.35

TECHNICAL SERVICE : SEWERAGE		-
		-
CONNECTION FEES		-
for 110mm where there is a connection point	1,907.34	2,059.93
for 110 mm where there is no connection point	2,861.01	3,089.89
for connection larger than 110 mm	3,433.21	3,707.87
		-
		-
SEWERAGE SERVICE FEES		-
		-
ALL AREAS (per month)		-
		-
House, Churches and Church halls	150.42	160.95
Basic for businesses,industry & government	150.42	160.95
Business per toilet	43.98	47.06
All residential erven with market value less than R60,000.00 registered in name of	44.67	47.80
a natural person	55.79	59.70
All areas basic where property not included above-Baisic Charge	150.42	160.95
All areas basic where property not included above-per toilet add charge	43.98	47.06
Night Soil	25.6	27.39
HoneySucker,septic tank (rate per load),rate by distancechargesshall be applicable		-
		-
WATER SUPPLY AND SERVICES		-
		-
CONNECTION FEE :		-
		-
15 mm	2,318.64	2,480.94
19mm	2,318.64	2,480.94
25mm including labour, price increace and tar repairs	2,318.64	2,480.94
Larger connections		-
		-
		-
WATER RE-CONNECTION FEE		-
		-
During office hours	152.55	163.23
After Hours	305.09	326.45

Defaulters		305.09	326.45
Meter test fee		337.26	360.87
Test reading		130.75	139.90
FINES AND OTHER FEES			-
Fines for tampering with meters		4193.14	4,486.66
Enquiry on prepaid meter		27.05	28.94
WATER UNIT TARIFFS			-
			-
PER UNIT CONSUMPTION			-
Households and churches :	1-8 kl	0	-
	9-15 kl	4.09	4.38
	16-20 kl	4.92	5.26
	21-40 KL	6.06	6.48
	above 41 kl	6.86	7.34
			-
Business,industry &	1-8 kl	4.09	4.38
Government	9-15 kl	4.09	4.38
	16-20 kl	4.92	5.26
	21-40 KL	6.06	6.48
	above 41 kl	6.86	7.34
Departmental per kl		4.09	4.38
Properties not listed above: tariffs as per business, industry& government			-
			-
Water delivery by road tanker (per kl)		5.13	5.49
Charge for water supplied		6.12	6.55
Delivery charge		At Cost	At Cost
Minimum prepayment (i.e special events)		646.46	691.71
			-
WATER AVAILABILITY CHARGE(BASIC CHARGE)			-
			-
VACANT ERF OR PROPERTY(ALL AREAS)			-
PER MONTH		67.7	72.44
Household, churches		66.28	70.92
Business, Industry & Government		66.28	70.92
Properties not included above			-
			-

IMPROVED STANDS OR PROPERTY		-
ALL AREAS		-
PER MONTH		-
Housholds using 6 kl or less water per month	64.7	69.23
Household, churches	66.28	70.92
Business, Industry & Government	65.14	69.70
All erven with landvalue more than R4000.00 not connected and according to Council	64.78	69.31
can be connected	66.28	70.92
Properties not included above		-
		-
		-
<u>PUBLIC SAFETY</u>		-
		-
FIRE BRIGADE SERVICE		-
Within Municipal area	136.50	151.52
Call out fee		-
Equipment/appliances per hour/part thereof	49.28	54.71
Portable equipment	52.00	57.72
Appliances	83.00	92.13
Service vehicle	166.00	184.26
Fire engine	180.00	199.80
Personnel per hour/part thereof:	208.75	231.71
Chief fire/Traffic Officer	186.00	206.46
Station Officer/Superintendent	124.00	137.64
Fireman/Traffic Officer	83.00	92.13
Other officers	67.00	74.37
Media used	2.98	3.31
Water per kl.	2.90	3.22
Fire fighting foam per 25 liters	1257.36	1,395.67
DCP Fire extinguisher per 9kg	309.00	342.99
CO2 Fire extinguisher per 7kg	399.00	442.89
Road marking paint 25 liters	613.60	681.10
Outside Municipal Area	281.22	312.15
Call out fee	270.00	299.70
Equipment/appliances per hour/part thereof	82.20	91.24
Portable equipment	52.00	57.72

Appliances	83.00	92.13
Service vehicle	166.00	184.26
Fire engine	180.00	199.80
Personnel per hour/part thereof:	429.98	477.27
Chief fire/Traffic Officer	409.50	454.55
Station Officer/Superintendent	270.40	300.14
Fireman/Traffic Officer	179.92	199.71
Other officers	145.60	161.62
		-
ADVERTISING SIGNS (ALL AREAS)		-
Application fees:		-
Sign types 2 (ground signs), 3(wall signs), 4 (roof signs) and 5 (veranda signs, balcony, canopy and under awning sings)	169.74	181.63
	164.80	176.34
Sign type 1 (billbaords) and all non-locality bound sings in excess of 12 square meters	502.32	537.48
Sign type 6 (posters, banners and flags)	58.30	62.38
		-
Approval fee:		-
Sign types 1,2,3,4 and 5 per square meter of advertising, display or part thereof with a	43.70	46.76

Schedule 5 – Budget Related Policies

Tariff Policy

Date approved : 6 April 2010

Operation date: 1 July 2010

1. Preamble

- 1.1. *The Alert Luthuli Local Municipality, in terms of Section 75(1) of the Local Government Municipal Systems Act, Act 32 of 2000, has to adopt a Tariff Policy which is regarded a budget-related policy in terms of the Local Government Municipal Finance Management Act, Act 56 of 2003.*
- 1.2. *The Tariff Policy annually has to undergo revision and be tabled with the Multi-Year Annual Tabled Budget to the Council of the municipality for consideration and approval for public scrutiny and comments annually before 31 March.*
- 1.3. *Comments received by the municipality on the contents and stipulations of the Policy have to be considered by the Council for possible amendment/inclusion to the draft policy for a final draft to be approved by the Council annually before 31 May.*
- 1.4. *The adopted Tariff Policy applies to the Multi-Year Annual Budget of a related year during which the income is based on the principles contained in the Tariff Policy.*
- 1.5. *Should any of the principles contained in the Tariff Policy by resolution of the Council be changed, an Adjustment Budget has to be prepared to reflect the consequent effect.*

2. **Definitions**

In this tariff policy, unless inconsistency with the context, a word or expressions to which a meaning in the Act has been attached means:-

***“agricultural consumers”** include but are not limit to farms, smallholdings and agricultural show grounds;*

***“break even”** occurs where the volume sales are equal to the fix and variable cost associated with the provision of the service;*

***“business and commercial consumers”** include but are not limit to business undertakings, shops, offices, liquor stores, supermarkets, public garages, gathering places, nurseries, places of entertainment, service stations, hairdressings salons, banks, hotels, guesthouses, boarding houses and doctor-and dentist consulting rooms;*

***“councillor for financial matters”** the councillor of the municipal council responsible for financial matters;*

***“domestic consumers”** include but are not limit to residence, group housing, town houses, semi-detached houses, and flats;*

***“indigent households”** are households that are registered under the municipality ‘s Indigent Policy;*

***“industrial consumers”** include but are not limit to industrial undertakings, factories, warehouses, workshop, scrap yards, stores, wine cellars, abattoir, dairy processing plants and fish markets;*

***“in season”** refers to the period from the 1st December of a year up to 31 January of the following year and from the Monday before the Easter weekend up to and including Easter Monday;*

***“lifeline tariffs”** a unit charge calculated by dividing the total cost associated with the service by the volume consumed (units);*

***“resident “** a person who is ordinary resident in the municipal area;*

***“special agreements”** are special tariff agreements entered into with consumers making significant economic contribution to the community and create job opportunities;*

***“sport and recreation facilities”** include but are not limit to properties used exclusively for sport and recreation purposes including school sport fields which are metered separately for water and electricity consumption and caravan parks;*

***“the Act:** the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);*

3. Legal Requirements

3.1. In developing its Tariff Policy, the Municipality has noted the applicability of the following legislation –

- 3.1.1. Constitution of the Republic of South Africa, 1996
- 3.1.2. Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- 3.1.3. Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007)
- 3.1.4. Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- 3.1.5. Water Services Act, 1997 (Act No. 108 of 1997)
- 3.1.6. Electricity Regulation Act, 2006 (Act No. 4 of 2006)
- 3.1.7. Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004)
- 3.1.8. Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)

3.2. This policy complies with sections 74 of the Municipal Systems Act in so far as it –

- 3.2.1. establishes a tariff policy on the levying of fees for municipal services provided by the municipality;

- 3.2.2. *reflects the required principles; and*
- 3.2.3. *differentiates between different categories of users, debtors, service providers. services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.*

3.3. *Section 75 of the Municipal Systems Act requires the council to adopt by-laws to give effect to the implementation and enforcement of this tariff policy.*

4. Tariff Principles

- 4.1. The Tariff Policy of the Municipality is in accordance with the principles as set out in section 74 (2) of the Municipal Systems Act as follows –
 - 4.1.1. users of municipal services should be treated equitably in the application of tariffs;
 - 4.1.2. the amount individual users pay for services should generally be in proportion to their use of that service;
 - 4.1.3. poor households must have access to at least basic services through –
 - 4.1.3.1. tariffs that cover only operating and maintenance costs,
 - 4.1.3.2. special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service; or
 - 4.1.3.3. any other direct or indirect method of subsidization of tariffs for poor households;
 - 4.1.4. tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges;
 - 4.1.5. tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidization from sources other than the service concerned;
 - 4.1.6. provision may be made in appropriate circumstances for a surcharge on the tariff for a service;
 - 4.1.7. provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
 - 4.1.8. the economical, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives must be encouraged;
 - 4.1.9. the extent of subsidization of tariffs for poor households and other categories of users should be fully disclosed.
- 4.2. In addition, the Municipality recognizes the principles set out in the 1998 White Paper on Local Government on user charges as follows –
 - 4.2.1. Payment in proportion to the amount consumed – as far as it is practically possible, consumers should pay in proportion to the amount of services consumed.
 - 4.2.2. Full payment of service costs – all households, with the exception of the indigent, should pay the full cost of services consumed.

- 4.2.3. Ability to pay – municipalities should develop a system of targeted subsidies to ensure that poor households have at least a minimum level of basic services.
 - 4.2.4. Fairness – tariff policies should be fair in that all people should be treated equitably.
 - 4.2.5. Transparency - the tariff policy should be transparent to all consumers and any subsidies and concessions must be visible and understood by all consumers.
 - 4.2.6. Local determination of tariff levels - municipalities have the flexibility to develop their own tariffs in accordance with the principles contained.
 - 4.2.7. *Consistent tariff enforcement – a consistent policy for dealing with non-payment of tariffs needs to be developed. This must be targeted and enforced with sensitivity to local conditions.*
 - 4.2.8. *Ensure local economies are competitive - local tariffs must not unduly burden local business through higher tariffs, as these costs affect the sustainability and competitiveness of such businesses and firms.*
- 4.3. The tariffs asset out in this policy shall, as far as is practical, encourage and promote the objects and programmes contained in the municipality's Integrated Development Plan.

5. **Objectives of this Policy**

- 5.1. *The Municipality wishes to achieve the following objectives by adopting this tariff policy –*
- 5.1.1. *to comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);*
 - 5.1.2. *to prescribe procedures for calculating tariffs where the municipality wishes to appoint service providers in terms of section 76(b) of the Act; and*
 - 5.1.3. *to give guidance to the Councillor responsible for finance regarding tariff proposals that must be submitted to Council annually during the budget process.*
- 5.2. In addition, the Municipality seeks to ensure that –
- 5.2.1. the tariffs of the Municipality conform to acceptable policy principles;
 - 5.2.2. municipal services are financially sustainable;
 - 5.2.3. there is certainty in the Council of how the tariffs will be determined;
 - 5.2.4. tariffs of the Municipality comply with the applicable legislation; and
 - 5.2.5. tariffs should take into consideration relief to the indigent.

- 5.3. *Tariffs will be set at a level that facilitates the sustainability of services, which will be achieved by ensuring that –*
- 5.3.1. *cash inflows cover cash outflows and that sufficient provision for working capital and bad debts will be made; and*
- 5.3.2. *access to the capital market is maintained, to be achieved through the provision for the repayment of capital, maintaining sufficient liquidity levels and making profits on trading services.*
- 5.4. *Where practical, efficient and effective use of resources will be encouraged by providing for penalties to discourage unnecessary or exorbitant usage.*

6. Tariff Strategy

6.1 Minimum basic services must be free

This will be set out in the Free Basic Services Policy of the Municipality, and in order to ensure affordable services, the Council will introduce a stepped tariff structure in which consumers that use more of a service, will pay progressively more for higher consumption than those who consume less of a service.

6.2 Keeping tariffs affordable

In order to ensure that tariffs remain affordable, the Council will strive to ensure that –

- Services are delivered at an appropriate level;
- Efficiency improvements are actively pursued across the Municipality's operations;
- A performance management system is introduced to ensure that plans that are devised are actually implemented on its own resources are obtained as economically as possible and that appropriate service delivery mechanisms are used;
- An investigation is conducted with the objective of phasing out as soon as is practically possible the non-core functions that the municipality currently performs without depriving the community of any services that really contribute to the quality of life of people in its area;
- Any service that is provided for which there is little demand, is priced under the actual cost of providing it and which requires the Municipality to maintain significant infrastructure and other facilities, are phased out, except where the Council is by law required to provide such a service; and
- The equitable share of revenue raised nationally will be used to maintain an adequate level of basic services for indigents.

6.3 Achieve price parity for services and property rates (uniform tariffs)

The Council will strive to achieve price parity within the Municipality within five financial years starting with the 2003/4 financial year.

6.4 Fully exploiting the potential income base

In order to ensure that tariffs remain current, and to ensure that all revenue is maximized, the Council will –

- Review tariffs for services at least once during every financial year.
- Ensure that tariff increases are in line with increases in the price of *personnel costs*, goods, material and other resources acquired and used by the Municipality to perform its functions; and
- Ensure that the tariff for a particular service will be calculated in such a way that all relevant costs are covered. This means that a tariff for a service must include at least the capital expenditure required and interest thereon, the cost of managing and operating the service and the cost of maintaining, repairing and replacing the physical assets used in its provision.

6.5 The “Consumer must pay Principle”

The Council believes that consumers of services must pay for the amount of services that they use. Where it is possible to measure the consumption of services, the Council intends to install metering systems and to take into account the free service element.

In this regard the Council will develop a programme to install meters in appropriate cases.

In the striving for better service delivery to the consumers, a user friendly format of accounts will be developed and implemented.

6.6 Redistribution / Cross-subsidisation

Some members of the community are better able to afford to pay for the services that they use and benefit from, than others. The budget of the Municipality is an important device in ensuring redistribution within the community. Those that pay higher property rates bases on the value of their properties, in fact subsidise those who pay less tax.

Also, the Council uses the trading surplus it realizes on the trading account to bring relief with regard to property tax rates.

Likewise, the Council will ensure that the cross-susidisation occurs between and within services to further contribute to its redistribution objectives.

6.7 Ensuring financial sustainability of service delivery

Financial sustainability of an enterprise will be achieved when it is financed in a manner that insures that its financing is sufficient.

The tariff for a service must, therefore, be sufficient to cover the cost of the initial capital expenditure required and interest thereon, managing and operating the service and maintaining, repairing and replacing the physical assets used in its provision.

The Council will adopt and apply a Credit Control and Debt Collecting policy to ensure that service charges are recovered.

Where a trading (water & electricity) and economic service (sanitation & sewerage) is available to a property, an availability levy or charge will be imposed if the occupier of the property does not use the service concerned or if the property is vacant. The availability levy, if possible, will be adequate to cover the pro rata cost of the initial capital expenditure and interest thereon and the maintenance of the infrastructure associated with service delivery.

7. Tariff determination process

- 7.1. Except in special circumstances, such as significant increases in the wholesale price of goods and services that the Council purchases during a year to provide services, the Council will review its tariffs during the preparation of the annual budget in accordance with the policy stated above. Proposed tariffs will be presented to the community during the Council's consultation about the budget.
- 7.2. After the Council has adopted its rates, tariffs, fees, charges and surcharges the Municipal Manager shall, without delay –
 - 7.2.1. conspicuously display a copy of the resolution adopting such fees, charges or tariffs for a period of at least 21 days at the main administrative office of the municipality and at such other places within the municipality to which the public has access as the Municipal Manager may determine;
 - 7.2.2. publish in a newspaper of general circulation in the municipality a notice stating –
 - 7.2.2.1. that a resolution as contemplated above has been passed by the Council;
 - 7.2.2.2. that a copy of the resolution is available for public inspection during office hours at the main administrative office of the municipality and at the other places specified in the notice;
 - 7.2.2.3. the date on which the determination will come into operation;
 - 7.2.2.4. that any person who desires to object to such determination or amendment must do so in writing within 14 days after the date on which the notice was displayed; and
 - 7.2.2.5. that any person who cannot write may come during office hours to a place where a staff member of the municipality named in the notice, will assist that person to transcribe his/her objection.
 - 7.2.3. seek to convey the information referred to in paragraph 3.8.2 to the local community by means of radio broadcasts covering the area of the municipality.
 - 7.2.4. The Municipal Manager must forthwith send a copy of the notice referred to in subparagraph 7.2.2 to the MEC for Housing and Local Government and other institutions regulated by another law or directive applicable from time to time.
- 7.3. If no objection is lodged within the period stated in the notice, the determination or amendment will come into operation on the date determined by the Council.

7.4. Where an objection is lodged, the Municipality will consider every objection.

7.5. The Council may, after it has consider all objections, confirm, amend, or withdraw the determination or amendment and may determine another, on the date on which the determination or amendment will come into operation.

7.6. After the Council has considered the objections it will again give notice of the determination, amendment or date as determined above and will also publish it as determined by the Council.

7.7. *The municipal must adopt by-laws to give effect to the implementation and enforcement of this tariff policy.*

8. **Categories of Customers**

8.1. *Separate tariffs structure may be raised for the following categories of customers –*

- 8.1.1. *domestic;*
- 8.1.2. *indigent households;*
- 8.1.3. *business and commercial;*
- 8.1.4. *industrial;*
- 8.1.5. *agricultural*
- 8.1.6. *rural;*
- 8.1.7. *public benefit organisation;*
- 8.1.8. *institutional;*
- 8.1.9. *commercial and industrial with special agreements;*
- 8.1.10. *government; and*
- 8.1.11. *the municipality.*

8.2. *The Municipality, in line with section 75 of the Act, determine that differentiated tariffs for the different consumers in certain geographical areas are necessary where there is a substantial difference between the infrastructure used in each geographical are to provide the service. These geographical areas are –*

8.2.1. <unknown>.

8.3. *The differentiation contemplated in paragraph 8.2 above will be based on one or more of the following elements –*

- 8.3.1. *infrastructure costs;*
- 8.3.2. *volume usage;*
- 8.3.3. *availability; or*
- 8.3.4. *service standards.*

9. Service Classification

9.1. *In the following classification, trading and economic services must be financially ring-fenced and financed from service charges while community and subsidized services will be financed from rates and related income.*

9.2. *In order to isolate the costs associated with a service, the Municipal Manager, Chief Financial Officer and Executive Mayoral Committee of the Council, shall, subject to the guidelines provided by the National Treasury, provide for the classification of services into the categories as set out in paragraphs 9.3 to 9.6 below.*

9.3. Trading services

Water and electricity provisions are trading services. Typically the consumption of a trading service is measurable and can be apportioned to an individual consumer. These services are managed like businesses. The tariffs for these services are determined in such a way that a net trading surplus is realized. The trading surplus is used to subsidise the tariffs of non-trading services, in other words to relieve property rates.

- 9.3.1. *Water*
- 9.3.2. *Electricity*

9.4. Economic services

Sewage and domestic household removal are economic services. The consumption of an economic service can be measured or determined with reasonable accuracy and apportioned to an individual consumer. Whilst they are also managed like businesses, the tariffs for these services are normally determined in such a way that user charges cover the cost of providing the service.

- 9.4.1. *Refuse removal*
- 9.4.2. *Sewerage*
- 9.4.3. *Markets*
- 9.4.4. *Abattoir fees*
- 9.4.5. *Holiday resorts*
- 9.4.6. *Recreation resorts*
- 9.4.7. *Caravan and Camping facilities*

9.5. Community services

Community services are those services the consumption of which cannot be determined nor apportioned to individual consumers. These services are typically financed through finance rates. Examples are the establishment, operation and maintenance of parks and recreation facilities, provision and maintenance of roads and storm water drainage systems, the establishment, management and maintenance of cemeteries and traffic regulation.

- 9.5.1. *Abattoirs*
- 9.5.2. *Cleansing*
- 9.5.3. *Control of public nuisances*
- 9.5.4. *Environmental and waste management*
- 9.5.5. *Facilities for accommodation, care and burial of animals*
- 9.5.6. *Fencing and fences*
- 9.5.7. *Interest rates charged*
- 9.5.8. *Local amenities*
- 9.5.9. *Markets*
- 9.5.10. *Municipal parks and recreation*
- 9.5.11. *Municipal roads*
- 9.5.12. *Museums*
- 9.5.13. *Nature reserves*
- 9.5.14. *Noise pollution*
- 9.5.15. *Public places*
- 9.5.16. *Road signs*
- 9.5.17. *Sports grounds*
- 9.5.18. *Street lighting*

- 9.5.19. *Storm-water management*
- 9.5.20. *Trade licenses*
- 9.5.21. *Traffic control*
- 9.5.22. *Municipal public works (only in respect of the needs of the municipality in the discharge of its responsibilities and to administer functions specially assigned to it under the Constitution or any other law)*

9.6. Subsidised services

Subsidised services include fire fighting, approving building plans and the construction of buildings, leasing of municipal facilities, selling of burial sites and certain town planning functions. Subsidised services are those services the consumption of which can be determined reasonably accurately and apportioned to individuals and consumers. However, if the tariffs for using this service were based on its real cost, nobody would be able to afford it. In most cases not only would the consumer benefit from using the service, but also other persons. A user charge is payable for using the service, but the tariff is much lower than the real cost of providing the service

- 9.6.1. *Angling permits*
- 9.6.2. *Billboards*
- 9.6.3. *Burials and cemeteries*
- 9.6.4. *Control of undertakings that sell liquor to the public*
- 9.6.5. *Distribution of hand-bills*
- 9.6.6. *Dog licensing*
- 9.6.7. *Fire fighting services*
- 9.6.8. *Health and ambulance services*
- 9.6.9. *Holiday resorts*
- 9.6.10. *Interest rates charged*
- 9.6.11. *Letting of Municipal facilities*
- 9.6.12. *Leasing of Municipal properties*
- 9.6.13. *Libraries*
- 9.6.14. *Licensing and control of undertakings that sell food to the public*
- 9.6.15. *Licensing of motor vehicles and transport permits*
- 9.6.16. *Local tourism promotion*
- 9.6.17. *Parking*
- 9.6.18. *Photocopies*
- 9.6.19. *Pound fees*
- 9.6.20. *Recreation resorts*
- 9.6.21. *Reference and information fees*

- 9.6.22. Rezoning
- 9.6.23. Tender deposits
- 9.6.24. Town planning
- 9.6.25. Training Courses

9.7. *The Municipality also provides services in support of the above-mentioned services. These are called staff functions and include committee services, records and archives, financial management accounting and stores, occupational health and human resources management. These services are financed through property rates.*

10. Expenditure Classification

10.1. *Expenditure will be classified into the categories as set out in paragraphs 10.2 and 10.3 below.*

10.2. Subjective classification:

- 10.2.1. *Salaries, wages and allowances*
- 10.2.2. *Bulk purchases*
- 10.2.3. *General expenditure*
- 10.2.4. *Repairs and maintenance*
- 10.2.5. *Capital charges (interest and redemption) / depreciation*
- 10.2.6. *Contribution to fixed assets*
- 10.2.7. *Contribution to funds –*
 - 10.2.7.1. *Bad debts;*
 - 10.2.7.2. *Working capital; and*
 - 10.2.7.3. *Statutory funds.*
- 10.2.8. *Contribution to reserves;*
- 10.2.9. *Gross expenditure;*
- 10.2.10. *Less charge-out;*
- 10.2.11. *Net expenditure;*
- 10.2.12. *Income; and*
- 10.2.13. *Surplus/Deficit.*

10.3. Objective classification:

- 10.3.1. *Licensing of motor vehicles and transport permits*
- 10.3.2. *Cost centres will be created to which the costs associated with providing the service can be allocated –*
 - 10.3.2.1. *Department*
 - 10.3.2.2. *Section/service*
 - 10.3.2.3. *Division/service*
- 10.3.3. *The subjective classification of expenditure each with a unique vote will be applied to all cost centres.*

11. Cost Elements

The following cost elements to be used to calculate the tariffs for the different services –

- 11.1. **Fixed costs** *which consist of the capital costs (interest and redemption) on external loans as well as internal advances and or depreciation whichever are applicable to the service and any other costs of a permanent nature as determined by the Council from time to time.*
- 11.2. **Variable costs** *which include all other variable costs that have reference to the service.*
- 11.3. **Total cost** *consisting of the fixed cost and variable cost.*

12. Tariff Types

In determining the type of tariff applicable to the type of service the municipality shall make use of the following eight options or a combination of the same.

- 12.1. **Single tariff:** *this tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even. Subject to a recommendation by the Chief Financial Officer the council may decide to approve profits on trading services during the budget meeting. Such profits will be added to the fixed and variable cost of the service for the purpose of calculating the tariffs.*
- 12.2. **Cost related two to four part tariff:** *this tariff shall consist of two to four parts. Management, capital, maintenance and operating costs will be recovered by grouping certain components together. Management-, capital- and maintenance costs may be grouped together and be recovered by a fixed charge, independent of consumption for all classes of consumers, while the variable costs may be recovered by a unit*

charge per unit consumed. Three and four part tariffs will be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand periods.

- 12.3. **Inclining block tariff:** this tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase. This tariff will only be used to subsidised free basic services and prohibit the exorbitant use of a commodity. The first step in the tariffs will be calculated at break-even point. Subsequent steps will be calculated to yield profits and to discourage excessive use of the commodity.
- 12.4. **Declining block tariff:** this tariff is the opposite of the inclining block tariff and decreases as consumption levels increase. The first step will be calculated by dividing the fix and variable cost and profit determined by council from time to time by the volume consumed. This tariff will only be used for special agreements.
- 12.5. **Regulating tariff:** this tariff is only of a regulatory nature and the municipality may recover the full or a portion of the cost associated with rendering the service.
- 12.6. **Sliding scale:** This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase. This tariff will only be used to prohibit the exorbitant use of a commodity. The first step of this tariff will be free of charge to provide access to the basic services to Indigent Households. The second step in the tariffs will be calculated at break-even point. Subsequent steps will be calculated to yield profits and to discourage excessive use of the commodity.
- 12.7. **Availability charges:** Payable in respect of erven not connected to Council's infrastructure. Once Council provided a connection, normal tariffs as per respective service are payable.
- 12.8. **Recoverable work:** These tariffs shall apply to consumers who are making use, on application, of certain recoverable services. The tariff will be calculated at actual cost plus a surcharge as determined with the actual tariffs.

13. Deposits

13.1. Deposits are required where levies are made in arrears.

13.2. Deposits are payable with application for relevant service –

13.2.1. Electricity: Two times the average monthly consumption of the past 2 months with a minimum of R 1000;

13.2.2. Water: Two times the average monthly consumption of the past 2 months with a minimum of R 500;

13.2.3. Rental: Equal to the monthly rental; and

13.2.4. Other services: <unknown>

13.3. Deposit to be doubled in case of non-payment of account.

13.4. Indigent households are not required to pay a deposit.

13.5. A bank guarantee can be accepted in cases where a deposit of R2 500 or more is required

13.6. No deposit required for pre-paid meters.

14. Unit of Measurements

The following cost elements to be used to calculate the tariffs for the different services –

14.1. Electricity

14.1.1. Unit of measurement –

14.1.1.1. Maximum demand (kVa) plus fixed tariff plus kWh consumed;

14.1.1.2. Fixed tariff plus kWh consumed; or

14.1.1.3. Unit tariff (KWh consumed) (for pre-payment meters).

14.1.2. Method of calculation –

14.1.2.1. The guidelines issued by the National Electricity Regulator from time to time will form the basis of calculating tariffs.

14.1.2.2. To recover the capital cost of supplying electricity through a fixed charge will make electricity unaffordable to many low consumption users. Cross subsidisation between and within categories of consumers will be allowed based on the load factors of the categories and consumers within the category. Portions of the fixed costs will be recovered through an energy or time-of-use charge. To apply the abovementioned principle the cost allocation basis, cost groupings, tariff components and tariff types reflected in the following tables will be used

Tariff types		Fixed charge Rands / customer / Month	Active Energy charge cents / kWh	Seasonal Time-of-use Energy charge Peak Standard Off-peak	Capacity charge Rands / kVA / month	Reactive energy charge cents / kWh
One part			X			
One part block	Block 1		X			
	Block 2		X			
Two part		X	X			
Three part		X	X		X	
Three part time-of-use high season	Peak	X		X		X
	Standard	X		X		X
	Off-peak	X		X		X
Three part time-of-use	Peak	X		X		X
	Standard	X		X		X

<i>low season</i>	<i>Off-peak</i>	<i>X</i>		<i>X</i>		<i>X</i>
<i>Four part</i>	<i>Peak</i>	<i>X</i>		<i>X</i>	<i>X</i>	<i>X</i>
<i>time-of-use</i>	<i>Standard</i>	<i>X</i>		<i>X</i>	<i>X</i>	<i>X</i>
<i>high season</i>	<i>Off-peak</i>	<i>X</i>		<i>X</i>	<i>X</i>	<i>X</i>
<i>Four part</i>	<i>Peak</i>	<i>X</i>		<i>X</i>	<i>X</i>	<i>X</i>
<i>time-of-use</i>	<i>Standard</i>	<i>X</i>		<i>X</i>	<i>X</i>	<i>X</i>
<i>low season</i>	<i>Off-peak</i>	<i>X</i>		<i>X</i>	<i>X</i>	<i>X</i>

14.1.2.3. For the one-part single energy rate tariff, all costs are expressed in a single cents/kWh charge. The recommended methodology for allocating costs into this tariff is as follows:

- The rands / kVa / month cost must be allocated into a cents / kWh charge through consideration of the average load factor of the types of customer who are likely to use the one-part single energy rate tariff.
- The rands / customer / month fixed cost should also be allocated into the cents/kWh charge and allocated to the kWh purchase costs in such a way as to ensure that at a level of monthly consumption of 400 kWh, the full amount of the fixed costs would have been recovered through the cents/kWh charge.

14.1.2.4. The two-part tariff:

- The rands / kVa / month charge must be allocated into a cents/kWh charge through consideration of the average load factor of the types of customer who are likely to choose the two-part tariff. This reallocated charge must then be added to the kWh purchase charge.
- The rands / customer / month charge is not reallocated into other tariff elements.
- The tariff then consists of a fixed monthly charge plus a variable charge related to metered kWh consumption.

14.1.2.5. The two-part time-of-use tariff:

- The rands / kVa / month charge must be reallocated into different time-of-use cents / kWh charges through consideration of the load curve of the customer in relation to the load curve of the supplier. Such reallocated charges must then be added to the kWh purchase charges, as appropriate.
- The rands / customer / month charge is not reallocated.

14.1.2.6. The three-part tariff:

- The rands / kVa charge recovers the capital cost elements. Some of this cost must be reallocated into different tariff elements.
- The cents / kWh charge therefore recovers the full variable costs as well as a portion of the reallocated rands / kVa costs.
- The rands / customer / month charge is not reallocated.

14.1.2.7. The three-part time-of-use tariff:

- As with the standard three-part tariff, a portion of the rands / kVa / month charge needs to be reallocated into the various time-of-use cents / kWh charges. Again, the amount of the reallocation should be with regard to the customer's load factor. However, it is also necessary to consider the time-variation of the capacity costs in the reallocation of the rands / kVa charge into the various time-of-use cents / kWh charges.
- The cents / kWh charge therefore recovers the full variable costs as well as a portion of the reallocated rands / kVa charges.
- The rands / customer / month charge is not reallocated.

14.1.3. Where council decides to make a profit on the service the profit will be added to the fixed and variable cost before tariffs are calculated.

14.1.4. Where a property is not connected to the electricity reticulation system but can reasonably be so connected, an availability tariff will be payable. The tariff will be calculated by adding a surcharge of 50% to the fixed costs applicable to connected consumers per category.

14.1.5. Electricity meters will be read and levied on a monthly basis unless the service is rendered through a pre-payment device and is recoverable for the past 2 years with issuing of clearance certificates.

14.1.6. The following charges can be levied in addition to the standard monthly charges –

Connections, Reconnections and changes to meters

Amperage change	To change from higher to lower scale	Fixed cost per change of scale
Electricity connections	Single phase connection: Conventional meter: 1 x 20 Amp	Fixed cost per connection
	Single phase connection: Conventional meter: Above 20 Amp	Fixed cost per connection

	Single phase connection: Conventional meter: Additional meter	Fixed cost per connection
	Single phase connection: Pre-paid meter: 1 x 20 Amp	Fixed cost per connection
	Single phase connection: Pre-paid meter: Above 20 Amp	Fixed cost per connection
	Single phase connection: Pre-paid meter: Additional meter	Fixed cost per connection
	Three phase connection	Estimated cost
Reconnection of electricity supply	After temporary disconnection	Fixed cost per reconnection
	Because of non-payment	Fixed cost per reconnection
Tampering with electricity meter (conventional)	Reconnection but supply only to be restored after:	Fixed cost per tampering
	Payment of R889.02 + R88.02	Fixed cost per supply
	Payment of illegally energy consumed	Fixed cost per supply
	Presenting a new-certificate of compliance	Fixed cost per supply
Meter changes	from conventional to pre-paid meter – single phase: voluntary change – single	Free

	<i>phase</i>	
	<i>from conventional to pre-paid meter – single phase: non-payers</i>	<i>Free</i>
	<i>from conventional to pre-paid meter – three phase</i>	<i>Estimated cost</i>
	<i>from pre-paid to conventional meter – single phase</i>	<i>Fixed cost per change</i>
<i>Non-payment of accounts</i>	<i>To serve a reminder by hand/mail i.r.o. a non-payment of account</i>	<i>Fixed cost to serve a reminder</i>
<i>Surcharge i.r.o. late payment of account</i>	<i>First late payment</i>	<i>An amount calculated at a rate of 10% of such an account subject to a maximum of R5 000.00</i>
	<i>Any further late payment within 12 months of the original late payment</i>	<i>An amount calculated at a rate of 10% of such an amount</i>

Miscellaneous services

<i>Meter Testing</i>	<i>Testing of electricity conventional meter</i>	<i>Fixed cost per testing</i>
	<i>Testing of electricity pre-paid</i>	<i>Fixed cost per testing</i>

	<i>meter</i>	
<i>Call out</i>	<i>pre-paid consumers</i>	<i>Fixed cost per call-out</i>
<i>Special meter readings</i>	<i>At consumer's request</i>	<i>Fixed cost per meter reading</i>
	<i>If the consumers contests the meter reading</i>	<i>Fixed cost per meter reading</i>
<i>Investigation i.r.o. power failure</i>	<i>At consumer's request (call out due to consumer's default)</i>	<i>Fixed cost per investigation</i>
<i>Change of current limiter</i>	<i>From higher to lower scale</i>	<i>Fixed cost per change</i>
<i>Testing of installation</i>	<i>Urban</i>	<i>Fixed cost per testing</i>
	<i>Re-inspection test: urban</i>	<i>Fixed cost per re-inspection</i>
	<i>Rural</i>	<i>Fixed cost per testing plus transport</i>
	<i>Re-inspection test: rural</i>	<i>Fixed cost per re-inspection plus transport</i>
<i>Renting out equipment</i>	<i>Generator (per occasion)</i>	<i>Fixed cost per generator</i>
	<i>Transformer (100 KVA)</i>	<i>Fixed cost per transformer</i>

Municipal services

<i>Streetlights</i>	<i>Roads</i>	<i>Fixed cost per light</i>
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	<i>Telephone booths & signs</i>	<i>Fixed cost per light</i>
<i>Municipal Electricity Tariffs</i>	<i>Streetlights</i>	<i>Fixed cost cent per unit (kWh)</i>
	<i>Demand Charges HT</i>	<i>Fixed cost cent per unit (kWh)</i>
	<i>Demand Charges LT</i>	<i>Fixed cost cent per unit (kWh)</i>

14.2. Water

14.2.1. Unit of measurement –

14.2.1.1. Kiloliters used; and/or

14.2.1.2. Size of connection.

14.2.2. Method of calculation –

14.2.2.1. A basic charge based on the size of the water connection will be payable by all consumers. Provision will be made for the following meter connections –

- 15 mm*
- 20 mm*
- 25 mm*
- 40 mm*
- 50 mm*
- 75 mm and*
- >75 mm*

14.2.2.2. Stepped tariffs in respect of Domestic Consumers will be calculated for the follow usages –

- 0 - 6 kl*
- 7 - 10 kl*
- 11 - 30 kl*
- 31 - 55 kl*
- 56 - 80 kl*
- > 80 kl*

14.2.2.3. Consumption less than 6 kl of water per month will be supplied free of charge.

14.2.2.4. Consumption between 7 – 10 kl of water per month will be supplied break even costs.

14.2.2.5. The following surcharges will apply to all other categories –

- 11 - 30 kl = 20%*

- 31 – 55 kl = 30%
 - 55 – 80 kl = 35%
 - > 80 kl = 40%
- 14.2.2.6. *Kiloliters used; and*
- 14.2.2.7. *Consumers that can but are not connected to the water service will pay an availability tariff. The tariff will be calculated by dividing the fixed and maintenance cost of the service by the number of properties and average size of the properties in the following categories –*
- 1 m² - 2 000m²
 - 2 001m² - 5 000m²
 - 5 001m² - 10 000m²
 - > 10 000m²
- 14.2.2.8. *Kiloliters used; and*
- 14.2.2.9. *Break even will be calculated by dividing the total cost by the total volume consumed.*
- 14.2.3. *Water meters will be read and levied on a monthly basis and is recoverable for the past 2 years with issuing of clearance certificates.*
- 14.2.4. *When consumption is not measured a flat rate will be applicable.*
- 14.2.5. *In the time of scarcity of water, Council may declare water restrictions and may charge higher tariffs with a sliding scale as determined by Council.*
- 14.2.6. *The following charges can be levied in addition to the standard monthly charges –*
- *Charges for connections to the main supply;*
 - *Charges for connection of water supply;*
 - *Charges for reconnections;*
 - *Testing of meters;*
 - *Special readings;*
 - *Filling of swimming pools; and*
 - *Any other services.*

14.3. Refuse Removal

- 14.3.1. *Unit of measurement –*
- 14.3.1.1. *A fixed rate per month for the removal of refuse once per week;*
- 14.3.1.2. *A fixed rate per month for the removal of refuse three times per week;*
- 14.3.1.3. *A fixed rate per month for the removal of refuse five times per week;*
- 14.3.2. *Method of calculation –*
- 14.3.2.1. *The mass refuse disposed by the various category consumers will be used to apportion the total cost of the service between the various categories consumers.*

- 14.3.2.2. *The costs per unit of measurement will be determined by the total costs of the service by the total mass of refuse disposed of during the year. The total cost of the service includes the removal cost plus the operating cost associated with the management of the refuse site.*
- 14.3.2.3. *The cost associated with the removal of bulk containers will be determined by calculating the actual disposal and removal cost (labour, material and transport) (iv) The minimum cost for a container service will be equal to one removal per week. (v) Opportunity costs for once-off removals will be the actual costs as described in section (3)(b)(iii) plus 20% surcharge.*
- 14.3.3. *The monthly levy is payable by the registered owner and is recoverable with issuing of clearance certificates.*

14.4. Sewerage

14.4.1. *Unit of measurement –*

- 14.4.1.1. *Size of the erf; and/or*
- 14.4.1.2. *Number of cisterns or urinals; and/or*
- 14.4.1.3. *Formula driven waterborne tariff.*

14.4.2. *Method of calculation –*

- 14.4.2.1. *All owners of undeveloped stands will pay an availability charge based on the average size of an erf (currently calculated between 1 501m² - 3 000m²) and fixed cost associated with the service.*
- 14.4.2.2. *All owners of developed stands will pay a basic charge based on the cost associated with the service and the weighted average of the number of consumers and average size of the stands in a range of stand sizes, as follows –*
- *1m² - 1 500m²*
 - *1 501m² - 3 000m²*
 - *3 001m² - 10 000m²*
 - *10 001m² - 25 000m²*
 - *25 001m² - 100 000m²*
 - *100 000m² - 300 000m²*
 - *> 300 000m²*
- 14.4.2.3. *Waterborne tariffs will be based on the variable cost of the service per category user and the number of cisterns or urinals.*
- 14.4.2.4. *The cost of emptying conservancy tanks will be based on the volume disposed and the cost associated therewith. An average tariff per user will be calculated.*
- 14.4.2.5. *The cost associated with bucket removals will be based on the volume removed. An average tariff per bucket will be calculated.*
- 14.4.2.6. *Any person or business that allows sewerage other than domestic sewerage into the foal sewer system shall pay over and above a fixed tariff based on the size of the erf a waterborne tariff based on the following formula –*
- *$C = V_t / 100 (R + T (COD_t / 1000))$*
 - *C = Rands*
 - *V_t = Kiloliters of effluent (excluding domestic volume)*

- *R = Cost of conveying of 1 Kiloliter effluent*
- *T = Cost of treating of 1kg COD*
- *CODt = Average chemical oxygen demand per mg per litre of effluent.*

14.4.2.7. *A fixed minimum tariff will be calculated for the following services –*

- *Buckets (removal)*
- *Septic tanks (removal)*
- *Cost of incineration (mass).*

14.4.3. *The levy is payable by the registered owner and recoverable with issuing of clearance certificate.*

14.4.4. *The following charges can be levied by Council in addition to the standard monthly charges –*

- *Sealing of openings and re-opening of sealed connections;*
- *Opening of blockages and alterations to gullies;*
- *Connections to the sewerage system;*
- *Vacuum tank services;*
- *The removal of dead animals;*
- *The removal of specific type of refuses i.e. medical waste, building refuse, garden refuse, redundant vehicles, collection and destruction of foodstuff, unlawful dumped refuse;*
- *Cleaning premises of long grass, weeds, shrubs and accumulation of refuse;*
- *Dumping of refuse on a municipal dumping site;*
- *Sale of plastic bags and refuse bins if available;*
- *Rental of mass containers; and*
- *Any other related services.*

14.5. Other Municipal Services

14.5.1. *The following charges can be levied by Council in relation to services provide –*

- *Abattoirs;*
- *Aerial photos;*
- *Air pollution control;*
- *Angling permits;*
- *Billboards*
- *Building plans;*
- *Burials and cemeteries;*
- *Caravan and Camping facilities*
- *Cleansing;*
- *Control of public nuisances;*

- *Control of undertakings that sell liquor to the public*
- *Distribution of hand-bills;*
- *Dog licensing;*
- *Environmental and waste management;*
- *Facilities for accommodation, care and burial of animals;*
- *Fencing and fences;*
- *Fire fighting services;*
- *Health and ambulance services;*
- *Holiday resorts;*
- *Interest rates charged;*
- *Letting of Municipal facilities;*
- *Leasing of Municipal properties;*
- *Libraries;*
- *Licensing and control of undertakings that sell food to the public;*
- *Licensing of motor vehicles and transport permits;*
- *Local amenities;*
- *Local tourism promotion;*
- *Markets;*
- *Municipal parks and recreation;*
- *Municipal roads;*
- *Museums*
- *Nature reserves;*
- *Noise pollution ;*
- *Parking;*
- *Photocopies;*
- *Pound fees;*
- *Public places;*
- *Recreation resorts;*
- *Reference and information fees;*
- *Rezoning;*
- *Road signs;*
- *Sports grounds;*
- *Street lighting;*
- *Storm-water management;*

- *Tender deposits;*
- *Town planning;*
- *Trade License;*
- *Traffic Control;*
- *Training Courses; and*
- *Miscellaneous Tariffs.*

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Chief Albert Luthuli Municipality

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RATES POLICY

OPERATION DATE 01 JULY 2012

1. PREAMBLE

- 1.1 The municipality derives its power to levy rates from Section 229(1) of the Constitution of the Republic of South Africa.
- 1.2 The obligation on a Council of a municipality to adopt and implement a rates policy on the levying of rates on rateable property is derived from the following legislation:
 - a) Section 3(1) of the Municipal Property Rates Act, Act 6 of 2004 (MPRA).
 - b) Section 62(1) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA).
- 1.3 The policy of the Albert Luthuli Municipality for levying rates on rateable property is set out in this document. The Council adheres to all requirements of the Municipal Property Rates Act (MPRA) and Municipal Finance Management Act (MFMA) including any regulations promulgated in terms of these Acts.
- 1.4 The Rates Policy only rules the rating of valued property which are valued according to the Municipal Property Rates Act, Act 6 of 2004 and its regulations as published under Government Notice 1856 of 2005 in Government Gazette 28113 dated 13 October 2005 and does not rule or guide the processes of property valuation and approval of the valuation roll.

- 1.5 As part of each annual operating budget the Council is obliged to impose a rate in the rand on the market value of all rateable properties as recorded in the municipality's valuation roll or supplementary valuation roll(s). Rateable property shall include any rights registered against such property, with the exception of a mortgage bond. Generally, all land within the Albert Luthuli Municipal area of jurisdiction is rateable unless it is specifically exempted as set out in Section 15 of the MPRA and includes:
- a) cemeteries
 - b) sport grounds for exercising amateur sport
 - c) properties owned by welfare organizations
- 1.6 The Rates Policy sets out the broad policy framework within which the municipality rates its area as per Section 3 of the MPRA, and gets annually reviewed and, when necessary, amends the municipality's rates for assessment as per Section 5 of the MPRA.

2. Definitions

In this policy, unless the context indicates otherwise, in addition to the definitions contained in both the MPRA and the MFMA, the following meanings are assumed:

“agricultural purposes” in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game.

“business” means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of mining, agriculture, farming, or inter alia, any other business consisting of cultivation or soil, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.

“government” means owned and exclusively used by an organ of the state, excluding non-urban properties used for residential or agricultural purposes or not in use.

“illegal use” means any use that is inconsistent with or in contravention of the permitted use of the property.

“improvement” means any building or structure on or under a property, including:

- _ a structure constructed solely for the purpose of rendering the property suitable for the erection of any immovable structure thereon; and
- _ buildings, structures and equipment or machinery referred to in Section 46(3) of the MPRA.

“indigent” means debtors who are poor private residential households as defined by the municipality’s policy on Free Basic Services and Indigent Support.

“industrial” means branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts, on so large scale that capital and labour are significantly involved. This includes factories as defined in the

Machinery and Building Work Act, Act 22 of 1941, as amended and includes any office or other accommodation on the same erf, the use of which is incidental to the use of such factory.

“mining” means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto.

“municipal” means owned and exclusively used by the municipality.

“multiple use” means a property that cannot be assigned to a single category due to the different uses of the property.

“new private infrastructure developments” means single properties divided (through subdivision or township establishment) into 10 or more full title units and all services, inclusive of water, sewerage, electricity and roads are installed by the developer at his own cost.

“non-urban land” means land which is not situated in an approved township and used for residential or agricultural purposes or not in use.

“public benefits organization” means an organization conducting specified public benefit activities as defined in the Act and registered in terms of the Income Tax Act for tax reductions because of those activities.

“protected area” means an area that is or has to be listed in the register referred to in section 10 of the National Environmental Management: Protected Areas Act, 2003.

“public service infrastructure” means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams and water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) any other publicly controlled as may be prescribed; or
- (i) right of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (h).

“public worship” means a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

“residential” means a suite of rooms which form a living unit that is exclusively used for human habitation purposes, or a multiple number of such units on a property, excluding a hotel, commune, boarding and lodging undertaking, hostel and place of instruction.

“tax base” means the values as reflected in the officially approved valuation roll of the municipality.

“urban land” means land which is situated within a proclaimed township.

“vacant land” means land within a registered township where no immovable improvements have been erected; or Unless it is situated in areas such as business or industrial etc will be categorized as Residential.

“agent”, in relation to the owner of a property, means a person appointed by the owner of the property to -

- (a) receive rental or other payments in respect of the property on behalf of the owner; or
- (b) make payments in respect of the property on behalf of the owner.

3. STRATEGIC FOCUS

3.1 POLICY OBJECTIVES

3.1.1 To ensure certainty and clarity as to amounts payable in respect

of property rates; identify all rateable property that is not rated, to take into account the effect of rates on organizations conducting public benefit.

3.1.2 To spread the rates burden impartially, fairly, equitably and without bias, and determine or provide criteria for the determination of -

- (a) categories of properties for the purpose of levying different rates, and
- (b) categories of owners of properties for categories of properties, for the purpose of the granting of exemptions, rebates and reductions;

3.1.3 To determine how the Municipality's power must be exercised in relation to multi-purpose properties;

3.1.4 To ensure the efficient, economic and effective use of resources and to contribute towards the financial sustainability of the municipality;

3.1.5 Determine measures to promote local economic and social development and endeavor to attract investment for job creation;

3.1.6 to create an opportunity for public participation in policy making and contribute towards the accountability and transparency of the municipality;

3.1.7 To take into account the effect of rates on the poor and to protect citizens against exploitation by the municipality.

3.2 **PRINCIPLES OF TAXATION**

An **autonomous tax** that the determination and levying of the tax will be in the discretion of the Council of the municipality with regard to rebates and exemptions.

3.3 DETERMINING THE RATE ON PROPERTY, EXEMPTIONS, REBATES AND REDUCTIONS

- 3.3.1 The Council shall as part of each annual operating budget component impose a rate in a rand on the market value of all rateable property as recorded in the municipality's valuation roll and supplementary valuation roll. Rateable property shall include any rights registered against such property, with the exemption of a mortgage bond.
- 3.3.2 The Council of the municipality will annually consider the impact of rates on the community; the impact of rates on businesses; the current economic climate, the Integrated Development Plan (IDP) of the municipality; the Town Development Strategy and the Financial Plan of the municipality.
- 3.3.3 mitigating major shocks to ratepayers when moving from a site rating to the total market value (land and buildings) of a property and development.
- 3.3.4 The Council shall further, in imposing rates for each financial year, strive to ensure that the aggregate budgeted revenues from property rates, less revenue foregone and less any contribution to the provision for bad or doubtful debts, not to exceed 35% of the municipality's aggregated budgeted net revenues for the financial year concerned.

4. OTHER KEY POLICY PRINCIPLES

4.1 EQUITY

4.1.1 All persons liable for property will be treated equitable and reasonable.

4.1.2 The fundamental principle is that taxpayers in similar circumstances to pay similar levels of tax and taxpayers with greater ability to pay larger amounts of tax, however, in local government the value of a ratepayer's property is the proxy or surrogate for the ability to pay.

4.1.3 The circumstances for an individual ratepayer are only taken into account in respect to any exemptions, rebates or reduction that may be granted. Rates are *levied on an ad valorem* (by value) basis that is pro-rata to the value of the property.

4.1.4 In the local government context the application of the *equity* principle would suggest that the tax (the rate in the rand) would be the same for all ratepayers in a municipal area, unless some compelling application of other taxation principles changes in the incidence of the tax. The main reasons why one ratepayer may pay a different rate than another ratepayer are:

- (a) different rates levied on different categories;
- (b) exemptions;
- (c) rebates; and
- (d) reductions.

- 4.1.4 Although these mechanisms were created by the MPRA, the application thereof should be justified. The main reason is to retain the historical level of contribution of the various categories of properties to the income from assessment rates and thereof minimize the impact on ratepayers.

4.2 AFFORDABILITY

- 4.2.1 In considering affordability, the total municipal account, and not only the rates account will be considered. The Council of the municipality will endeavour to limit the annual increase in the revenue from property rates to a threshold in the framework of the yearly macro directives issued by the national treasury or other relevant regulations issued on a year to year basis at the time of tabling the annual operating budget, except when the approved Integrated Development Plan of the municipality demand for a greater increase.

4.2.3 POVERTY ALIVATION

The effect of rates on the poor has been taken into account in terms of the municipality's Free Basic Services and Indigent Policy. The ***first R15 000,00*** of the value of all residential property according to the approved valuation roll will be exempted from the payment of assessment rates *plus a further 100% discount for registered and approved indigents*. Additional alleviations can be considered by Council in the tabling of the yearly operating budget of which will be reflected in the indigent policy.

4.3 LIMITATION OF RATES INCREASES

- 4.3.1 The transformation from a site rating system to a system where the total value (land and buildings) will be rated will cause major shifts in the rates burden on the owners of certain properties.

- 4.3.2 As guideline the implementation of the Municipal Property Rates Act should not lead to an increase in the income from assessment rates, and it should not result in major deviation from previous tax structures or shocks to ratepayers. To give effect to these guidelines it is necessary to set limitations to the increase of rates for the four financial years for which the first valuation roll compiled in terms of the MPRA is implemented.

4.4 AMOUNTS DUE FOR RATES

- 4.4.1 The Council of the municipality shall as part of each annual operating budget determine a rate in the rand for every category of ratepayer. The determination of such rate shall concur with the limits as per Section 16(1) of the MPRA on property that would materially and unreasonably prejudice:

- a) national economic policies;
- b) economic activities across the municipal boundaries;
- c) the national mobility of goods, services, capital and labour.

- 4.4.2 Therefore, in terms of Section 17(1) of the MPRA specified impermissible rates are excluded from the rating structure and are reflected as exemptions under paragraph 10.3 of the Policy.

5. LIABILITY FOR THE RATES

- 5.1 A rate levied by the municipality on a property must be paid by the owner of the property as regulated by Section 24 of the MPRA.
- 5.2 When transfer of property takes place, the incidence of property rates falls as a charge on the new owner from date of registration by the Registrar of Deeds.

- 5.3 Rates are levied on an annual basis at the start of the financial year as per Section 12(1) of the MPRA, but for the convenience for ratepayers raised monthly on combined consumer accounts and payable within seven (7) working days of the following month according to the payment cut-off date stipulated on the specific monthly account.
- 5.4 Annually levied property tax and tariffs may not be changed during a financial year except for the purpose of a financial recovery plan as per Section 28(6) of the MFMA.
- 5.5 Arrear payment on property rates at the monthly or annually due dates, are subject to interest as stipulated by Section 97(1)(e) of the Municipal Systems Act at a rate equal to the prime plus 1% overdraft rate as from time to time determined by the banker keeping the municipality's primary bank account.
- 5.6 When rates are levied in respect of a full financial year, the responsibility vests on the first day of that financial year.
- 5.7 When rates are levied in respect of a valuation in a supplementary valuation roll, and the rates on that valuation are levied for the first time, the liability to pay the rates vests on the first day of the month following the completion of the public inspection period required by Section 50 of the MPRA.
- 5.8 The final day for payment of annually levied and payable rates is 30 September of the specific financial year.
- 5.9 Any decision on the deferment of payment of a rate is subject to the stipulations of the municipality's Credit Control and Debt Collection Policy.

- 5.10 The municipality may recover arrear rates from tenants or occupiers of rated property, or from agents of the owner of such property equal to the value of unpaid rental in terms of Section 28 and 29 of the MPRA.
- 5.11 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined for payment by the municipality, the municipality may recover the amount in whole or in part from a tenant or occupier of the property or agent, despite any contractual obligation to the contrary on the tenant or occupier. The municipality may recover an amount only after it has served a written notice on such tenant or occupier.
- 5.12 The amount that the municipality may recover from the tenant or occupier or agent is limited to the amount of the rent or other money due or payable, but not yet paid, by such tenant or occupier to the owner of the property.

6. VALUATION OF RATEABLE PROPERTIES

- 6.1 A general valuation of all rateable properties will be undertaken and a valuation roll compiled every four (4) years.
- 6.2 Supplementary valuations will be undertaken on an ongoing basis and in terms of section 78 of the MPRA.
- 6.3 Supplementary valuation rolls will be compiled once a year.

- 6.4 Amendments to the valuation roll to reflect changes to the owner, address or other prescribed particulars as contemplated by Section 79 of the MPRA will be done annually and only the electronic copy of the valuation roll will be updated.

7. LEVYING OF RATES

7.1 Property not subject to rates

- 7.1.1 Rates will not be levied on the transportation corridors of public service infrastructure owned by the municipality and state, such as :

- a) roads and streets
- b) railway lines
- c) pipelines
- d) cabling or overhead conductor

7.2 Categories for rating purposes

- 7.2.1 In relation to property a category relates to properties determined in terms of Section 8 of the MPRA and in relation to owners of properties it means category of owners as determined in terms of Section 15(2) of the MPRA.

The category will be determined by the actual use of the property and if the property is not in use, the zoning will determine same.

The Municipal Valuer will be responsible for the categorizing of properties and the maintenance thereof as any change in use of a property may result in a change to the category.

The categories that are determined in line with Section 8(1) of the MPRA, are:

- i) Residential
- ii) Business
- iii) Industrial
- iv) Mining
- v Municipal property which will be as per definition
 - Municipal property leased
 - Municipal Business
 - Municipal Residential
 - Municipal Agriculture
 - Municipal PSI and other PSI
 - Municipal other
- vi) Public Service Infrastructure
- vii) Protected areas
- viii) Farm used for agricultural purposes
- ix) Farm used for eco-tourism
- x) Farm used for trading in or hunting of game
 - Farms with townships (farms with unregistered township)
 - Farms used for business and commercial
 - Farms used for residential
 - Farms used for other purposes
 - Farms used for residential (it may be rated as business)
- xi) Small holding used for residential/agricultural purpose
- xii) Small holding used for business and commercial

- xiii) Small holdings with the other use
- xiv) Government Business
- xv) Government Residential
- xvi) Government Schools and government other
- xvi) State trust land
- xvii) Public worship
- xviii) Multiple use property
- xix) Protected areas
- xx) Sectional Schemes residential
- xxi) Sectional Schemes Business
- xxii) Sectional Schemes other
- xxiii) New private infrastructure developments residential, business and others

7.2.2 All agricultural properties regardless of their usage or category shall be levied by the Municipality at the same rate as determined by the Municipality in its approved yearly budget.

7.2.3 Units under sectional title will separately be assessed.

8.1 **RATES FOR BUSINESS FROM RESIDENTIAL DWELLING**

8.1.1 The tariff for “home business”, as defined in Council’s policy on businesses conducted from residential premises shall be determined as the aggregate tariff for the residential and business category. This will exclude Guest Rooms which will be rated as business, but includes residential

properties with second dwellings and duets not subject to a sectional title scheme. The normal residential tariff applies where parents occupy these units in terms of Council Policy.

8.2 Rates for Mining Activities

8.2.1 “Based on the level of services (roads, sewerage, electricity, water, refuse removal) provided by the municipality a tariff equal the business tariff shall be applicable for the category “mining” or the rate determined in the framework of the yearly macro directives issued by the national treasury or other relevant regulations issued on a year to year basis at the time of tabling the annual operating budget.

8.2.2 An approved Social Labor Programs and Programs of social upliftment of society as approved by the Department of Minerals and Energy should be submitted to the Municipality with the application for rebates.

8.3 Municipal

8.3.1 Properties in the “Municipal” category are exempted unless a lease agreement for such a property (or part thereof) exists.

8.4 Public Service Infrastructure

8.4.1 Public services infrastructure as per definition, relate to essential services and shall therefore be exempted from property rates.

8.5 Agricultural Farms

8.5.1 Based in general on:

- a) extent of municipal services provided (roads, sewerage, electricity, water, refuse removal).
- b) contribution of agriculture to the local economy.
- c) extent to which agriculture assists in meeting service delivery and development obligations of the municipality and contribution to the social and economic welfare of farm workers.

8.6 **Eco-Tourism and Game Farms**

8.6.1 The rates levied on agricultural farms shall be levied on the eco-tourism and game farms.

8.7 **Residential or Agriculture Small Holdings**

8.7.1 Residential or Agricultural Small Holdings shall be rated equal to “residential” tariff based on the level of services provided by the municipality and its non-urban location. Within the urban area such small holdings will be rated as “residential” properties.

9. **RELIEF MECHANISMS**

9.1 The Council of the municipality may grant exemptions, rebates and reductions in recognition of Section 15(2) of the MPRA:

9.1.1 **Rebates**

When a specific category of owners of properties or the owners of a specific category of properties qualify for more than one rebate at a given time, each rebate will be calculated on the total levy amount.

9.1.2 **Indigent rebate**

As determined by the municipality's Free Basic Services and Indigent Policy.

9.1.3 **Rebates on newly rateable property**

As stipulated by Section 21 of the MPRA newly rateable property must be phased in as follows:

- (a) in the 2012/13 financial year a rebate of 75%;
- (b) in the 2013/14 financial year a rebate of 50% of the rate;
- (c) in the 2014/15 financial year 25% of the reate will be granted; and
- (d) in the 2015/16 financial year the rate will be payable without any rebate.

9.2 REDUCTIONS

9.2.1 Non-urban reduction

The rate applicable to developed non-urban land or vacant non-urban land will be applied to:

- (a) 100% of the pro-rata value of the property on the first 5 hectares thereof;
- (b) 75% of the pro-rata value on the property on the next 5 hectares thereof;
- (c) 50% of the pro-rata value of the property on the next 5 hectares thereof;
- (d) 25% of the pro-rata value of the property on the next 25 hectares thereof;
- (e) 1% of the pro-rata value of the remainder thereof in excess of 40 hectares.

9.3 Exemptions

9.3.1 rateable property registered in the name of a welfare organization registered in terms of the National Welfare Act, 1978 (Act 100 of 1978).

9.3.2 rateable property registered in the name of an institution or organization which, in the opinion of the Council of the municipality performs charitable work.

- 9.3.3 hospitals, clinics and institutions for mentally ill persons which are not operated with the intention to make profit;
- 9.3.4 rateable property registered in the name of a public benefit organization performing specified public benefit activities;
- 9.3.5 cemeteries and crematoriums which are registered in the names of private persons and which are used exclusively for burials and cremations of human remains, as the case may be;
- 9.3.6 museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and which are open to public, whether admission is charged or not;
- 9.3.7 national monuments including ancillary business activities at national monuments;
- 9.3.8 rateable property registered in the name of a trustee or trustees or any organization which is being maintained for the welfare of war veterans as defined in Section 1 of the Social Aid Act (House of Assembly), 1989, Act 37 of 1989, and their families;
- 9.3.9 sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport;
- 9.3.10 rateable property registered in the name of the

Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any organization which is in the opinion of the municipality similar or any rateable property let by the municipality to any such organization;

9.3.11 rateable property registered in the name of a declared institution as defined in Section 1 of the Cultural Institutions Act, 1969, Act 29 of 1969, or

the Cultural Institutions Act (House of Assembly), 1989, Act 66 of 1989.

9.3.12 In addition to the first **R15 000, 00** of exemption as per paragraph 5.3 of the policy a further 50% to remaining value for old age or disabled pensioners solely dependant from their pension, subjected to the following conditions:

- a) the combined income of the landowner and his spouse does not exceed R46 500,00 per annum or determined by Council from time to time;
- b) the property is occupied by the owner; and
- c) only owners over the age of 60 years or being the breadwinner and totally dependent on a social disability pension or any other pension comparable to social disability pension, should come into consideration.

9.3.13 The first 85% of the rateable valuation of property of new private infrastructure developments where a single property becomes divided through either subdivision or township establishment into 10 or more full title units and all services inclusive of water, sewerage and electricity and roads are installed by the developer at his own cost for a period of two (2) years from the date of registration of the subdivision or the proclamation of the township or for a shorter period until the newly created units are sold off or improved before expiry of two (2) year period.

9.3.14 All properties as specified by Section 17(1) of the MPRA as follows:

- a) on the first 30% of the market value of public service infrastructure, except for power stations;
- b) on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management Biodiversity Act, 2004, which are not developed or used for commercial business, or residential agricultural purposes;
- c) on mineral rights within the meaning of paragraph (b) of the definition of “property” in Section 1 of the MPRA;
- d) on a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds;
- e) on the first R15 000,00 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality-
 - (i) for residential purposes;
 - (ii) for properties used for multiple purposes, provided one or more components of the property and which forms the major part of the property, are
used for residential purposes; or
_ on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship. The exemptions as contained under subparagraphs 10.3.1 to 10.3.13 above may only be granted upon formal written applications submitted by the owners for consideration in terms of Section 15(2) of the MPRA.

10. APPLICATION FOR EXEMPTIONS, REBATES AND REDUCTIONS

10.1.1 All application for exemptions, rebates and reductions shall be made to the Municipality through its income section in the prescribed form approved by the Chief Albert Luthuli Municipal Council.

10.1.2 The discretion to grant such an application shall solely lye with the Municipality and shall be no appeal to such a decision.

10.1.3 A rate rebate may be granted to social pensioners or the receiver of a state disability grant and is determined by the Council from time to time. To qualify for the concession, the following criteria will apply:

- (a) The application must be made each year and reach the chief financial officer on or before 30 June.
- (b) The applicant must be the registered owner of the property and should not sublet any portion of the property.
- (c) The applicant shall not own any other property.
- (d) The property must be readily accessible to municipal officials for the purpose of carrying out of inspections and reading of meters.

10.2 **Reporting of all exemptions, rebates and reductions**

10.2.1 The Municipal Manager must annually within two months from the end of a financial year table in Council according to Section 15(3) and (4) of the MPRA with relation to that financial year the following:

- (i) such exemptions, rebates and reductions;
- (ii) exclusions referred to in Section 17(1)(a), (e), (g), (h) and (i) of the MPRA; and

(iii) the phasing-in discount granted in terms of Section 21 of the MPRA.

10.2.2 All exemptions, rebates and reductions projected for a financial year must be reflected in the municipality's annual budget for that year as:

- (a) income on the Revenue side; and
- (b) expenditure on the Expenditure side.

11. Frequency of Valuation

11.1 The municipality shall prepare a new valuation roll at least every 4 (four) years.

11.2 In accordance with the Act the municipality, under exceptional circumstances, may decide to extend the validity of the valuation roll to 5 (five) years by applying for approval to the MEC for Local Government in the province.

11.3 Supplementary valuations may be done on a continual basis but at least on an annual basis.

12. Community Participation

12.1 Before the municipality adopts the rates policy, the municipal manager will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:

12.1.1 Conspicuously display the draft rates policy for a period of at least 30 days (municipality to include period decided on) at the municipality's head and satellite offices, libraries and on the website.

12.1.2 Advertise in the media a notice stating that the draft rates policy has been prepared for submission to council and that such policy is available at the various municipal offices and on the website for public inspection.

12.1.3 Property owners and interested persons may obtain a copy of the draft policy from the municipal offices during office hours at a fee as determined by the council as part of its annual tariffs. Property owners and interested persons are invited to submit written comments or representations to the municipality within the specified period in the notice.

12.1.4 Council will consider all comments and/or representations received when considering the finalization of the rates policy.

13. Inspection of and Objections to an entry in the Valuation Roll

13.1 Once the Council has given notice that the valuation roll is open for public inspection, any person may within the inspection period, inspect the roll and may lodge an objection with the municipal manager against any matter reflected in the roll or omitted from the roll;

13.2 Should any property owner not receive notification of the value of the property within 21 days after the valuation roll is handed to the municipality by the valuator the property owner shall contact and/or make a request for details of the property to the municipality;

(1) Objections must be in relation to a specific property.

(2) Lodging of an objection shall not defer liability for the payment of rates; and

(3) All objections received shall be dealt with in accordance with the MPRA.

14. Special Rating Areas

14.1 the council may, on receipt of an application, create a special rating area or areas in terms of section 22 of the Act, No 6 of 2004.

14.2 Should the municipality receive such an application the community will be consulted on -

- (1) the establishment of a committee representing the community;
- (2) Determination of boundaries of such an area;
- (3) how the area is to be improved by funds derived from additional rates levies;
- (4) What the additional rate levies will be; and
- (5) Establishing of a separate accounting and recordkeeping system

15. By-Laws to give effect to the Rates Policy

15.1 The municipality shall adopt By-laws to give effect to the implementation of the Rates Policy and such By-laws may differentiate between different categories of properties and different categories of owners of properties liable for the payment of rates.

16. ANNUAL ADOPTION OF THE POLICY

- 16.1. The Rates Policy will be reviewed annually in compliance with Section 5(1) of the MPRA and according to the budget timetable tabled by the Executive Mayor in accordance with Section 21(1)(b)(ii)(bb) of the MFMA with the tabling of the Annual Budget as per Section 16(2) of the MFMA.
- 16.2 Community participation will take place in accordance with Chapter 4 of the Local Government : Municipal Systems Act, Act 32 of 2000 and by following the processes as per Sections 21A and 21B of the Municipal Systems Act, Act 32 of 2000 (as contained under Section 5 of the Municipal Systems Act Amendment Act, Act 44 of 2003) as follows:
- a) as a document made public (Section 21A):
 - b) displayed at the head and satellite offices and libraries of the Municipality.
 - c) displayed on the municipality's official website (as per prescriptions contained under Section 21B).
 - e) notified to the local community of the place, including website address, where detailed particulars can be obtained.
 - f) inviting the local community to submit written comments or representations to the municipality in respect of the published document.

17. Disclaimer

- 17.1. Any rate to be levied on rateable property in terms of this policy or any section of applicable legislation and by way of oversight or any other error not levied, cannot be challenged on the basis of non-compliance with this policy, and must be paid in accordance with the required payment provision.

17.1. Where a ratepayer believes that the Council has failed to properly apply this policy he/she should raise the matter with the Municipal Manager.

18. Enforcement/Implementation and Enquiries

18.1 This policy was approved by the municipal council in terms of resolution no. dated 28 March 2012 and takes effect on 1 July 2012, being the effective date of the valuation roll.

Chief Albert Luthuli Municipality



**DRAFT CREDIT CONTROL
AND DEBT COLLECTION POLICY**
Operation Date : 1 July 2012

PREAMBLE

WHEREAS it is an object of Local Government under the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996), to ensure the provision of services to communities in a sustainable manner;

AND WHEREAS every municipal Council must, under section 98(1) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), adopt policies to give effect to the Municipality's credit control and debt collection, its implementation and enforcement;

Explanatory Note: This Policy is applicable to Chief Albert Luthuli Municipality (hereinafter referred to as "the Municipality") only. In terms of Section 80 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000); the Municipality may enter into service delivery agreements with service providers to provide municipal services to customers. In such instances the internal Credit Control and Debt Collection Policies of those entities may differ from this Policy, but shall be subject to the promulgated Credit Control and Debt Collection By-laws.)

NOW THEREFORE the following is adopted as the "Draft Credit Control and Debt Collection Policy":

1. Objectives

(1) The objectives of these policies are to:

- (a) Provide a framework within which the municipal council can exercise its executive and legislative authority with regard to credit control and debt collection;
- (b) Ensure that all monies due and payable to the municipality are collected and used to deliver municipal services in the best interest of the community, residents and ratepayers and in a financially sustainable manner;
- (c) Outline the procedures that will ensure that the members of the local community are afforded the opportunity to contribute in the decision-making processes of the municipality and that they are informed of the decisions and affairs of the municipality;
- (d) Set realistic targets for debt collection;
- (e) Outline credit control and debt collection policy procedures and mechanisms;
- (f) Recognize the municipality's constitutional obligations to develop the local economy and to provide affordable and acceptable services to all its residents, consumers of services and ratepayers;

- (g) Acknowledges the fact that it cannot fulfil these constitutional obligations unless it exacts payment for the services which it provides and for the assessment rates which it legitimately levies complete and in full from those residents who can afford to pay, and in accordance with its indigence relief measures for those who qualify as indigents in terms of the council's approved and adopted indigence management policy; and
- (h) Describe credit control measures and sequence of events.
- (i) provide for matters relating to the unauthorised consumption of services, theft and damages

2. **Definitions**

In this Policy, unless the context indicates otherwise:

“**Act**” means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);

“**Charges**” means surcharges on fees, penalties, property rates, taxes, levies and duties;

“**Council**” means –

- (a) the Municipal Council of Albert Luthuli Local Municipality established by Provincial Notice No 299 dated 1 October 2000, as amended, or its successor in title and any committee or person to which or to whom an instruction has been given or any power has been delegated in terms of, or as contemplated in, Section 59 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), or
- (b) a service provider in respect of any power, function or duty of the Council as contemplated in paragraph (a), assigned by it for the purposes of this Policy to that service provider in terms of Section 81(2) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) .

“**Customer**” means the owner of any premises upon which charges are levied as well as a person to whom a service provider supplies services, and the occupier thereof, where applicable;

“**Day**” means a calendar day and a period of days are calculated by excluding the first day of the period and including the last day, unless the last day falls on a Saturday, Sunday or public holiday in which event the period is calculated with the exclusion of the first day and also of the Saturday, Sunday or public holiday;

“Debtor” means a person owing an amount of money to the Municipality for a reason other than through the provision of municipal services;

“Employer” means an employer as defined in Paragraph 1 of the Seventh Schedule of the Income Tax Act, 1962 (Act No 58 of 1962);

“Implementing authority” means the Municipal Manager of the Council or any other Official delegated by the Municipal Manager to implement and enforce the Council's Credit Control and Debt Collection Policy;

“Municipal account” means any municipal service charge, tax or other fees, interest and charges due in terms of a contract or approved tariff or rate, which is outstanding after the due date, normally appearing on the consolidated account, or overdue in terms of the contract or any other due date that has passed;

“Municipality” means the Albert Luthuli Local Municipality;

“Occupier” includes any person in actual occupation of premises without regard to the title under which they occupy, if any;

“Owner” in relation to premises means:

- (a) a person who from time to time is registered as such in a deeds registry as defined in the Deeds Registries Act, 1937 (Act No 47 of 1937); or
- (b) where the person is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of their property is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative; or
- (c) where a Sectional Title Register has been opened under Section 8 of the Titles Act, 1971 (Act No 66 of 1971), the body corporate as defined in that Act, and includes any person receiving rent for the premises whether for their own account or as agent for a person entitled to it.

“Person” means any natural person, local government body or similar authority, a company or close corporation incorporated under any law, a body of persons whether incorporated or not, a statutory body, public utility body, voluntary association or trust;

“Premises” means any piece of land which is situated in the area of jurisdiction of the Council, the external surface boundaries of which are delineated on:

- (a) A General Plan or Diagram registered under the Land Survey Act, 1927 (Act No 9 of 1927), or under the Deeds Registries Act, 194(3)7 (Act No 47 of 1937); or

(b) A Sectional Title Register opened under Section 8 of the Sectional Titles Act, 1971 (Act No 66 of 1971).

“Service” means any service rendered by or on behalf of the Council, in respect of which an account may be rendered, excluding any service rendered by the Council as an agent for another principal; and **“services”** has a corresponding meaning;

“Standard rate of interest” means the interest rate as determined by the Minister of Finance from time to time under Section 89 of the Income Tax Act, 1962 (Act No 58 of 1962) and published in the Gazette; interest rate i.t.o. the budget is prime rate plus 1%.

“Supervisory authority” means the Municipality’s Mayoral Committee

3. **Principles**

- (1) The administrative integrity of the Municipality must be maintained at all costs. The democratically elected officials (councillors) are responsible for policy-making, while it is the responsibility of the Municipal Manager or any other Official delegated by the Municipal Manager to execute these policies.
- (2) Prospective consumers must complete an official municipal application form formally requesting the Municipality to provide them with electricity and water.
- (3) Copy of the official municipal application form, conditions of services and applicable extracts from the adopted Council's Credit Control and Debt Collection Policy and By-laws must be handed to every consumer on request.
- (4) Monthly Billing of municipal accounts is to be accurate, timeous and understandable.
- (5) The Consumer is entitled to have access to all municipal cashier or pay points and to a variety of reliable payment methods, including third party payments i.e. the South African Post Office (SAPO).
- (6) The Consumer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of such a reasonable appeal.
- (7) Enforcement of payment must be prompt, consistent and effective at all time and applicable to all ratepayers or consumers of services rendered by the municipality.
- (8) Fraud and/or criminal offences can lead to the loss of rights and heavy penalties and/or public prosecution could be instituted by the municipality on the perpetrator if he or she should be found guilty.

- (9) Payment Incentives and disincentives may be used in collection procedures and during the collection process.
- (10) The collection process must at all times be cost-effective and within the approved budget of the Municipality/Council.
- (11) Debt Collection "Best Practices" will be pursued at all time during the execution of the policy.
- (12) Depending on payment patterns, the Municipal Manager or delegated official may provide reduced levels of service to manage the debt growth.
- (13) Debt Collection and Credit Control Results will be regularly monitored and efficiently reported to the Municipal Manager or any other Official delegated by the Municipal Manager as well as the Municipal Council.
- (14) Although customer care and debt collection are inter-related issues, they should be performed by two separate divisions of the Income Section of the Department Finance.
- (15) There must be legal cause between the Municipality and its consumers/debtors and consumer/debtor debt must arise out of a legal framework and must be legally collectable.
- (16) Indigent households will be identified and supported as required by legislation. Welfare is to be separated from tariff and debt collection and credit control issues and will be supported by appropriate, affordable and adopted policies and practices.
- (17) Indigent support will be introduced within the Council's financial ability and in accordance with the applicable legislation.
- (18) Performance Targets for customer care, debt collection and credit control will be set and pursued at all times and remedies will be implemented for non-performance.

4. Indigent Subsidy

- (1) The source of funding of the indigent subsidy is that portion of the equitable share contribution to the Municipality made from the national government's fiscus and as provided for in the Annual approved Budget of the Municipality. In exceptional circumstances this can be supplemented from other revenues if Council approval to that effect is obtained.
- (2) The subsidy amount is to be crudely calculated by dividing the portion of the equitable share as budgeted by the estimated number of qualifying households per area and tariff type. These figures are the approximate average subsidy per household.

- (3) The Municipal Council shall annually, as part of its budgetary process, determine the municipal services and levels thereof that will be subsidised in respect of indigent customers in accordance with national policy, subject to the principles of sustainability and affordability.
- (4) The Municipal Council shall, in the determination of municipal services that will be subsidised for indigents, follow the Free Basic Services Policy of the Municipality.
- (5) Where electricity is to be subsidised under the Free Basic Services Policy of the Municipality, such households may be required to convert to prepaid electricity meters when implemented, the cost of which can be met either by:
 - (a) the equitable share fund, if sufficient;
 - (b) a surcharge on the electricity coupon cost; or
 - (c) cash payment by the indigent household.
- (6) If an indigent customer's consumption or use of a municipal service is less than the subsidised service, the unused portion may not be accrued by the indigent customer and will not entitle the customer to cash or a rebate in respect of the unused portion.
- (7) If an indigent customer's consumption or use of a municipal service is in excess of the subsidised service, the indigent customer will be obliged to pay for such excess consumption at the applicable rate.
- (8) The Council may cause inspectors to visit indigent households to audit the veracity of the data in the application form and to record any changes in circumstances and make recommendations on the continuation, variation or discontinuation of the subsidy.
- (9) Indigent households subsidised under the Free Basic Services Policy whose consumption has exceeded the limits set out in that policy, and who are in arrears on payment for these services, may be restricted in respect of electricity and/or water.
- (10) The disqualification process set out in the Indigent policy should be followed if –
 - (a) the application was filled in dishonestly;
 - (b) audits indicate improvements in the financial circumstances of the indigent household above the qualifying income.
- (11) Arrears accumulated in respect of the municipal accounts of customers prior to their first registration as indigent customers, will be suspended and interest shall not accumulate on such arrears for the period that a customer remains registered as an indigent customer.
- (12) Arrears suspended in terms of Section 5(11) shall become due and payable by the customer on de-registration as an indigent customer.

- (13) In special individual cases, a report may be submitted to the Mayoral Committee to decide if Section 5(12) should be implemented or not.

5. Customer Care and Management

(1) Communication and Feedback

- (a) The Municipality will communicate and give feedback to communities, ratepayers and residents in accordance with its Policy on Public Participation.
- (b) The Council will establish:
 - (i) *A separate, centrally controlled, telephone, with a logged call registers facility, available to receive all unresolved customer complaints and to receive feedback regarding the quality of services provided by the Council.*
 - (ii) *A system to monitor response times and time taken for corrective action shall be installed. Copies of all logged complaints and feedback received will be submitted to the Municipal Manager at the end of each day for the necessary action and attention.*
 - (iii) *Appropriate training for officials dealing with the public to enhance communications and effective service delivery; and*
 - (iv) *A communication mechanism to give the Council feedback on the implementation of this Policy and other issues of concern*

(2) Service Application and Agreements

- (a) All consumers of services will be required to sign an application and agreement form for new consumer services governing the supply, and cost of municipal services. Owners may allow a tenant to sign a separate agreement with the Municipality, which the Municipality may accept, provided that the written consent of the owner is provided. On default by a tenant, the owner is the debtor of last resort, except in respect of the Council's own property.
- (b) Prior to signing these agreements, owners and/or tenants will, on request, be entitled to receive the Credit Control and Debt Collection Policy Document of the Council.
- (c) On the signing of the agreement, owners and/or tenants will receive a copy thereof.
- (d) Within a specified period (in the agreement) of change of ownership, meters will be read and the relevant municipal accounts will be rendered.

- (e) In the agreement, customers/consumers/ratepayers will acknowledge liability for costs of collection, interest and charges, in the event of a delayed payment or payments.
- (f) Financial and other special incentives for both employers and employees may be considered where employers enter into an agreement with the Council, with the consent of the employee, where the employee is the customer, for the deduction of any outstanding amounts due by the customer to the Council, or any regular monthly amounts as may be agreed, from the salary or wage of the customer.
- (g) “Good payer” status, for example, may be awarded to such customers with specific benefits attached thereto, such as special queues for faster service. Customers who are employed whether as an employee or Councillor are not permitted to arrange to pay off their debt, unless they sign a stop order that provides for deductions from salary of arrears as well as the current account over the agreed period.

(3) Customer Screening and Securities

- (a) All applicants for municipal services must produce a green bar-coded ID book or passport and the official will make a copy.
- (b) Security deposits either in cash or any other security acceptable to the Municipality will be taken and may vary according to the risk. A minimum deposit as per the Tariff Policy will be charged for new connections.
- (c) Deposits will be increased by the Municipality as per the Tariff Policy.
- (d) Deposits can vary according to the credit worthiness or legal category of the applicant subject to paragraph 4(3)(a).
- (e) The Municipality will not pay interest on *security* deposits held by the Municipality in terms of paragraph 4(3)(b).
- (f) On the termination of the agreement, the amount of the deposit less any outstanding amount due to the Municipality will be refunded to the customer/consumer/ratepayer.

6. Accounts and Billing

- (1) Customers will receive an understandable and accurate bill from the Municipality on a monthly basis. All accounts will contain at least the following particulars, where possible and applicable:
 - (a) The name of the Council/Municipality.
 - (b) The name of the customer/consumer/ratepayer.

- (c) The account number.
 - (d) The service levies or assessment rates in question.
 - (e) The period allowed for the payment of services and assessment rates.
 - (f) The property or stand number in respect of which the payment is required.
 - (g) The date before which payment must be made (due date).
 - (h) Business hours of the Municipality.
 - (i) The method(s) and place(s) of possible payment
 - (j) Any discount for early or prompt payment.
 - (k) Interest on late payment.
 - (l) Consequences of non-payment.
 - (m) Amount brought forward.
 - (n) Consumption for the current month reflecting units consumed, cost per unit and cost per service.
 - (o) Total amount payable
- (2) Accounts will be produced in accordance with the meter reading cycle and due dates will be as determined by the Council from time to time.
- (3) Accounts will be rendered monthly in cycles of approximately 30 (thirty) days at the address last recorded with the Municipality or its authorised agent.
- (4) It is the customer's responsibility to ensure timeous payment in the event of accounts not received.
- (5) Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in final settlement of such an account, even when a dispute exists.
- (6) Where any payment made to the Municipality or its authorised agent by negotiable instrument is later dishonoured by the bank, the Municipality or its authorised agent:
- (a) May recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the customer;
 - (b) Shall regard such an event as default on payment.
 - (c) May refuse to accept cheques or may refer to the Credit Bureau.
- (7) The Municipality or its authorised agent must, if administratively possible, issue a duplicate account to a customer on request.

7. Metering

- (1) The Municipality will endeavour, within practical and financial limits, to provide meters to every paying customer for all meterable services.
- (2) All meters will be read monthly, if at all possible. If the meter is not read monthly, the Council will average the consumption for preceding periods of 3 (three) months.
- (3) Customers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof.
- (4) Customers will be informed of meter replacement, in writing.
- (5) If a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the Municipality or its authorised agent, the customer is charged for an average consumption.

8. Right of Access to Premises

- (1) The owner and/or occupier of premises is obliged to give an authorised representative of the Municipality access at all reasonable hours to the premises in order to read, inspect, install, repair or replace any meter or service connection for reticulation or to disconnect, stop or restrict, or reconnect the provision of any service.
- (2) The owner accepts the cost of relocating a meter if satisfactory access is not possible.
- (3) If a person contravenes 4(6)(a), the Municipality or its authorised agent may:
 - (a) by written notice require such person to restore access at his/her own expense within a specified period;
 - (b) if it is the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such a person

9. Payment Facilities and Methods

- (1) The Municipality will operate and maintain suitable banking and cash facilities and facilities will be accessible to all consumers and ratepayers.
- (2) The Municipality will, at its discretion, allocate a payment between service debts - a debtor who has overdue debt may not specify that the payment is for a specific portion of the account.

- (3) The Municipality may, with the consent of a customer, approach an employer to secure a debt or stop order arrangement on his or her salary.
- (4) The customer will acknowledge in the customer agreements that the use of customer agents in the transmission of payments to the Municipality is at the risk of the customer - also for the transfer time of the payment in respect of the due date of the municipal account.

10. Enquiries, Appeals and Service Complaints

- (1) If a customer is convinced that his/her account is inaccurate, he/she can lodge a written appeal with the Municipality addressed to the Municipal Manager for the recalculation of the said account.
- (2) In the interim period the customer must pay an average based on previous consumption where history of the account is available. Where no such history is available, the customer is to pay, without prejudice of rights, an estimate provided by the Municipality before the payment due date until the matter is resolved.
- (3) The relevant Department will investigate and inform the customer within a reasonable period of time.
- (4) Failure to make such agreed interim payment or payments would make the customer liable for disconnection of services.
- (5) A customer has the right to appeal against the finding of the Municipality or its authorised agent in terms of 4(8(a).
- (6) An appeal and request in terms of 4(8)(e) must be made and lodged with the Municipality and addressed to the Municipal Manager within 21 (twenty-one) days after the customer became aware of the finding referred to in 4(8)(c) and must:
 - (a) Set out the reasons for the appeal;
 - (b) Be accompanied by any security determined for the testing of a measuring device if applicable.

11. Businesses who Tender with the Municipality

- (1) When inviting tenders and quotations for the provision of services or delivery of goods, potential contractors may submit tenders or quotations subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipal accounts owing by the tenderer or its members, directors, owners or partners have been paid in full or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.

- (2) Tender conditions must contain a condition allowing the Municipality to deduct monies owing to the Municipality from contract payments in terms of a reasonable arrangement with the tenderer.

12. Customer Assistance Programmes

(1) Water Leakages

- (a) If the leakage is on the side of the meter of the customer, the customer is responsible for the payment of the full account.
- (b) The customer has the responsibility to control and monitor his/her consumption.

(2) Investment Principles

- (a) Properties may qualify for a rate rebate determined annually as per the Rates Policy approved by Council.
- (b) A rate rebate may be granted to social pensioners or the receiver of a state disability grant as determined by the Council from time to time. To qualify for the concession, the following criteria will apply:
 - (i) The application must be made each year and reach the chief financial officer on or before 30 June.
 - (ii) The applicant must be the registered owner of the property and should not sublet any portion of the property.
 - (iii) The applicant should not own any other property.
 - (iv) The property must be readily accessible to Municipal Officials for the purpose of carrying out of inspections and reading of meters.

(3) Unauthorised consumption of services

Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, penalties, loss of rights and criminal prosecutions

The Municipal Manager will immediately terminate the supply of services to a consumer should such conduct as outlined above, be detected

(4) STAFF AND COUNCILLORS IN ARREARS

4.1 a. Item 10 of Schedule 2 to the Act states that: - "A staff member of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than three (3) months and a municipality may deduct any outstanding amounts from a staff member's salary after this period."

b. The Municipality shall liaise with the relevant staff on repayment of their arrears.

c. The staff member must sign a credit authority in accordance with this Policy.

d. No special treatment shall be afforded to staff in arrears.

4.2 a. Item 12A of Schedule 1 to the Act states that: - "A Councillor may not be in arrears to the municipality for rates and service charges for a period longer than three months."

b. The Municipal Manager shall liaise with the Mayor and issue the necessary salary deduction instruction where appropriate.

4.3 Where the staff or Councillors' arrears have arisen due to any other reason, such arrear must be paid within 3 months with interest.

(3) Arrangements for Settlements

(a) If a customer cannot pay his or her account with the Municipality, then the Municipality may enter into an extended term of payment with the customer. The customer must:

- (i) sign an acknowledgement of debt;
- (ii) sign consent to judgement;
- (iii) provide a garnishee order / emolument order / stop order (if he/she is employed);
- (iv) acknowledge that interest will be charged at the prescribed rate, being the prime lending rate of the Municipality's banker plus 1% as amended by the South African Reserve Bank from time to time; pay the current portion of the account in cash; and

- (v) sign an acknowledgement that if the arrangements being negotiated are later defaulted on, no further arrangements will be possible and that disconnection of services and blockage of pre-payment meters will immediately follow, as will legal proceedings
- (b) Customers with electricity arrears may be requested to agree to the conversion to a prepaid meter after all arrears and the cost of the pre-payment meter has been paid in full and a written agreement to this effect has been entered into.
- (c) The Council reserves the right to raise the deposit / security requirement in accordance with Paragraph 4(3) of debtors who seek arrangements
- (d) Customers on prepaid electricity Council may add the debt as a surcharge to the prepaid electricity cost, and be repaid with each purchase of electricity until the debt is liquidated on 80:20 .

13. Indigent Subsidy

- (1) Qualifying households. A household with no income and/or a total income equal to the social state pension grant qualifies as an indigent household and for a Council subsidy. The applicant must occupy the premises, receive a municipal account, may not own any other property, either inside or outside the Municipality's area of jurisdiction and must comply with any other terms or conditions determined and adopted by the Council from time to time.
- (2) Funding of subsidy. The source of funding of the indigent subsidy is that portion of the equitable share contribution to the Municipality made from the national government's fiscus and as provided for in the Annual approved Budget of the Municipality. In exceptional circumstances this can be supplemented from other revenues if Council approval to that effect is obtained.
- (3) The subsidy amount is to be crudely calculated by dividing the portion of the equitable share as budgeted by the estimated number of qualifying households per area and tariff type. These figures are the approximate average subsidy per household.
- (4) Subsidised services are to be sewerage, water and refuse removal.
- (5) Electricity will be subsidised and households for indigent support may be required to convert to pre-payment electricity meters when implemented, the cost of which can be met either by:
 - (a) The equitable share fund, if sufficient;
 - (b) A surcharge on the electricity coupon cost; or
 - (c) Cash payment by the household

- (6) Indigent households which exceed free basic services and are in arrears may be restricted in respect of electricity and/or water.
- (7) Households become eligible by application on a specific application form of the Council, after which screening and ongoing auditing are possible. This form will require data on the inhabitants of the household, their occupations, income and property ownership and business ownership.
- (8) A qualifying household must be in possession of a letter of approval from the Municipality.
- (9) The Council may cause inspectors to visit indigent households to audit the veracity of the data in the application form and to record any changes in circumstances and make recommendations on the continuation or discontinuation of the subsidy.
- (10) Indigent households may apply or reapply for indigent support at any time during the financial year on the prescribed application form of the Council.
- (11) Households will be excluded from the scheme if:
 - (a) The application was filled in dishonestly;
 - (b) Audits indicate improvements in the financial circumstances of the household beyond the qualifying income.
- (12) If a customer's consumption or use of a municipal service is less than the subsidised service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.
- (13) If a customer's consumption or use of a municipal service is in excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rate.
- (14) An indigent customer must immediately requests de-registration by the Municipality or its authorised agent if his/her circumstances have changed to the extent that he/she no longer meets the qualification set out in 5(1).
- (15) An indigent customer may at any time request de-registration.
- (16) Subsidies that have been received unrightfully will be reversed and recovered from the customer by the Municipality.

14. Debt Collection

(1) Enforcement Mechanisms

(a) Interruption of Service

- (i) Customers who are in arrears with their municipal account and who have made no arrangements with the Municipality will have their supply of electricity and water and other municipal services suspended or disconnected and/or restricted.
- (ii) The disconnection of services will be implemented when the municipal account is 1 (one) day overdue, municipality will issue final notice to consumer which is payable seven days .
- (iii) The right to deny or restrict the sale of electricity or water to customers, who are in arrears with their rates or other municipal charges, is reserved.
- (iv) Upon the liquidation or arrears, or the conclusion of arrangements for term payment, services will be reconnected as soon as conveniently possible.
- (v) The cost of the restriction or disconnection and the reconnection will be determined by tariff agreed by the Council and will be payable by the customer.

(b) Interest and Charges

Interest and penalties will be raised as a charge on all accounts not paid by the due date in accordance with applicable legislation.

(c) Personal / Telephonic / Agent Contact

- (i) The Municipal Manager will endeavour, within the constraints of affordability, to correspond personally, by telephone or by letter contact with all arrear debtors to encourage their payment and to inform them of their arrears state and their rights (if any) to conclude arrangements or to apply for indigent subsidies and other related matters, and will provide information on how and where to access such arrangements or subsidies.
- (ii) The Municipality shall maintain a schedule of debtors with large amounts outstanding (the cut-off amount will be agreed by the Municipal Manager) and will maintain intensive contact with these debtors as in 6(1)(c)(i).
- (iii) Such contact is not a right for debtors that debtors enjoy - disconnection of services and other collection proceedings will continue in the absence of such contact for whatever reason.

(d) Legal Process / Use of Attorneys / Use of Credit Bureaus

- (i) The Municipal Manager will, when a debtor is above 120 days in arrears, commence legal process against that debtor, which process could involve summonses, court trials, judgements, emolument attachment orders and, as a measure of last resort, sales in execution of property. Indigent households are exempted from this action for as long as:
 - the household is classified as an indigent case;
 - the repayment agreement with the Council is adhered to.

- (ii) The Municipal Manager will exercise strict control over this process to ensure consistent accuracy and legality within it and will require regular reports on progress from staff charged with the responsibility or outside parties, be they attorneys or any other collection agents appointed by the Council.
- (iii) The Municipal Manager will establish procedures and codes of conduct with these outside parties.
- (iv) Emolument attachment orders in the case of employed customers are preferred to sales in execution, but both are part of the Municipality's system of debt collection procedures.
- (v) All steps in the credit control procedure will be recorded for municipal records and for the information of the debtor.
- (vi) All costs of this process are for the account of the debtor.
- (vii) Individual debtor accounts are protected and are not the subject of public information, except for officials and councillors. However, the Municipality may release debtor information to credit bureaus. This release will be in writing and this situation will be included in the Municipality's agreement with its customers.
- (viii) The Municipal Manager may consider the cost effectiveness of this process and will receive reports on all relevant matters and report to the Mayoral Committee.
- (ix) On a recommendation by the Municipal Manager, the Council may consider the use of agents and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement the Council might conclude with such agents or product vendors.
- (x) Customers will be informed of the powers and duties of such agents and their responsibilities, including their responsibility to observe agreed codes of conduct.
- (xi) Any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will see the contract terminated. The Municipal Manager will determine appropriate measures to be installed within the broad parameters described in Paragraph 6 and consult with the Mayoral Committee on these measures.

(2) Cost of Collection

All costs of legal processes, charges, service discontinuation costs as associated with credit control and debt collection, are for the account of the customer and should reflect at least the cost of the particular action

(3) Abandonment

- (a) The Municipal Manager must ensure that all avenues are utilised to collect the Municipality's outstanding debts.
- (b) There are some circumstances that allow for the valid termination of debt collection procedures:
 - (i) The insolvency of the debtor whose estate has insufficient funds:
 - (ii) A balance owing too small to recover for economic reasons considering the cost of recovery.

- (c) The Municipality will maintain audit trails in such an instance and document the reasons for the abandonment of the outstanding debt.

(4) Rates Clearance

On the sale of any property in the municipal jurisdiction, the Council will withhold the transfer until all rates, services and sundry charges related to the property are paid by withholding a rates clearance certificate, except where otherwise provided in legislation.

15. Performance Evaluation

(1) Income Collection Targets

Council shall create targets that include:

- Reduction in present monthly increase in debtors in line with performance agreements determined by the Council

(2) Customer Service Targets

Council shall create targets that will include:

- (a) Response time to customer queries.
- (b) Date of first account delivery to new customers.
- (c) Reconnection time lapse.
- (d) Meter reading cycle.
- (e) Reduction in customer complaints.

(3) Administrative Performance.

Council shall create targets that will include:

- (a) Cost efficiency of debt collection.
- (b) Query rates.
- (c) Enforcement mechanism ratios.

- (4) The Council will create a mechanism wherein these targets are assessed; the Council performance is evaluated and remedial steps taken.

16. Reporting to Council

- (1) The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Mayoral Committee. This report shall report on:
 - (a) Cash flow information for the capital and operating accounts and combined situation, showing the Council's actual performance against its cash flow budgets.
 - (b) Cash collection statistics, showing high-level debt recovery information (numbers of customers; enquiries; default arrangements; growth or reduction of arrear debtors ideally divided into wards, business [commerce and industry], and domestic, state, institutional and other divisions).
 - (c) Performance of all areas against targets agreed to in Paragraph 6 of this Policy.
 - (d) The Council's ongoing income and expenditure statements, comparing both billed income and cash receipt income, against ongoing expenditure in both the capital and operating accounts.
- (2) The Mayoral Committee shall quarterly report to the Council as contemplated in Section 99(c) of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- (3) If in the opinion of the Chief Financial Officer the Council will not achieve cash receipt income equivalent to the income projected in the annual budget as approved by the Council, the Chief Financial Officer will report this with motivation to the Municipal Manager, who will, if he/she agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.

17. Structures of Department of Finance

The Council shall regularly receive a report from the Chief Financial Officer, if necessary after consultation with suitable consultants, on the manpower and systems requirements of Finance, which requirements take into account the Council's agreed targets of customer care and management, and debt collection, and, after considering this report, the Council will, within reason, vote such resources as are necessary to ensure that Finance has the staffing and structures to meet the Council's targets in this regard or to outsource the service.

18. Short Title

This policy is called the Credit Control and Debt Collection Policy of Albert Luthuli Municipality.

19. Procedures

Within 30 days after the approval of this policy, the Municipal Manager shall approve procedures related to this policy.

20. Legal Requirements

It is essential for the protection of the municipality's interests that the provisions of particularly the Municipal Systems Act 2000 and the Property Rates Act 2004, in so far as they provide additional debt collection mechanisms for municipalities, be diligently enforced. At the same time, both the council and the administration of the Municipality must note the obligations which the municipality has towards the community in respect of customer care and relations.

For ease of reference a paraphrase of the relevant extracts from the Municipal Systems Act, specifically Sections 95 to 103 and Section 118 are therefore appended to this policy, as are Sections 28 and 29 of the Property Rates Act. The immediately relevant extracts from the Water Services Act 1997 and the Municipal Finance Management Act are also included in the annexure.

Section I: Water Services Act No. 108 Of 1997

Section 21: By-Laws

The Act requires a municipality, in its capacity as water services authority, to make by-laws which contain conditions for the provision of water services and which provide for the following (inter-alia):

- the standard of the services;
- the technical conditions of supply, including quality standards, units or standards of measurement, the verification of meters, acceptable limits of error and procedures for the arbitration of disputes relating to the measurement of water services provided;
- the determination and structure of tariffs;
- the payment and collection of moneys due for the water services consumed;
- the circumstances under which water services may be limited or discontinued and the procedure for such limitation or discontinuation; and
- the prevention of unlawful connexions to water services works and the unlawful or wasteful use of water.

Section II: Local Government: Municipal System Act No. 32 of 2000

Section 95: Customer Care and Management

A municipality must, in relation to the levying of rates and other taxes, and the charging of fees for municipal services, within its financial and administrative capacity, do the following:

- establish a sound customer management system which aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality itself or (where applicable) a service provider;
- establish mechanisms for users of services and ratepayers to give feedback to the municipality or other service provider with regard to the quality of the services and the performance of the service provider;
- take reasonable steps to ensure that users of services are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which moneys raised from the service are utilised;
- where the consumption of services is measured, take reasonable steps to ensure that the consumption by individual consumers of services is measured through accurate and verifiable metering services;
- ensure that persons liable for payments receive regular and accurate accounts which indicate the basis for calculating the amounts due;
- provide accessible mechanisms for those persons to query or verify accounts and metered consumption, as well as appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
- provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
- provide mechanisms to monitor the response time and efficiency in complying with the aforementioned requirements; and
- provide accessible pay points and other mechanisms for settling accounts or for making prepayments for services.

Section III: Local Government: Municipal Finance Management Act No. 56 of 2003

Section 64: Revenue Management

The accounting officer of the municipality is responsible for the management of the municipality's revenues, and must, for this purpose, take all reasonable steps to ensure:

- that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act 2000 and the municipality's credit control and debt collection policies;
- that revenues due to the municipality are calculated on a monthly basis;
- that accounts for municipal taxes and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;

- that all moneys received are promptly deposited in accordance with the requirements of the present Act, into the municipality's primary and other bank accounts;
- that the municipality has and maintains a management, accounting and information system which recognises revenues when they are due, accounts for debtors, and accounts for receipts of revenues;
- that the municipality has and maintains a system of internal control in respect of debtors and revenues, as may be prescribed;
- that the municipality charges interest on arrears, accept where the council has granted exemptions in accordance with its budget related policies and within a prescribed framework; and
- that all revenues received by the municipality, including revenues received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

The accounting officer must immediately inform the national treasury of any payments due by an organ of state to the municipality in respect of municipal taxes or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

Note: Section 164: Forbidden Activities

Section 164(1)(c) lists as a forbidden activity the making by a municipality of loans to councillors or officials of a municipality, directors or officials of any municipal entity, and members of the public. It has been assumed for purposes of compiling the credit control and debt collection policy that allowing any party to pay off arrears of rates and municipal service charges is not tantamount to the making of a loan in terms of Section 164.)

Section IV: Local Government: Municipal Property Rates Act NO. 6 of 2004

Section 28: Recovery of Rates in Arrears from Tenants and Occupiers

If the rates owed by a property owner are unpaid by due date, the municipality may recover such rates, either in whole or in part, from any tenant or occupier of the property concerned.

However, the tenant or occupier of the property must first be given written notice of the municipality's intentions, and the amount which the municipality may recover is limited to the amount of rent and other moneys due and unpaid by the tenant or occupier to the property owner concerned.

Section 29: Recovery of Rates from Agents

If it is more convenient for the municipality to do so, it may recover the rates due on a property, either in whole or in part, from the agent of the property owner concerned.

However, the agent must first be given written notice of the municipality's intention, and the amount the municipality may recover is limited to the amount of any rent and other moneys received by the agent on behalf of such property owner, less any commission due to the agent.

The following examples of Administrative Forms are also attached for discussion and consideration for amendment of the current forms and eventual inclusion in the revised policy.

15. Enforcement/Implementation and Enquiries

This policy has been approved by the Municipal Council in terms of resolution no. ... dated 28 March 2012 and takes effect on 1 July 2012, which is the effective date of the valuation roll.

Cash Management and Investment Policy

Date approved : 6 April 2010

Operation date: 1 July 2010

1. Introduction

1.1. As trustees of public funds, Councillors and officials have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. The Council of the Municipality has the responsibility to invest public funds carefully and has to the community in this regard. A comprehensive set of cash management and investment policies is needed to accomplish this commitment. Proper policies and procedures will also improve internal operations that may reduce the Municipality's cash management risks.

2. Objectives

2.1. The objectives of these policies are.

- 2.1.1. To ensure the effective, efficient and economical use of cash resources;
- 2.1.2. To emphasize a culture of accountability over the Municipality's cash;
- 2.1.3. To speed up inflow and slow down outflow of cash and keep cash secure at all times;
- 2.1.4. To gain the highest possible return, without unnecessary risk, during periods when excess funds are not being used; and
- 2.1.5. To safeguard the Municipalities cost resources against theft or any fraudulent activities

3. Scope of Application

- 3.1. These policies are established to guide officials on cash flow management. It should be applied in the treatment of all cash and cash equivalents that belong to the Chief Albert Luthuli Municipality.

4. Accountability

- 4.1. As Trustees of public funds, Councillors and officials have an obligation to ensure that cash resources are managed in the most efficient and cost effective manner possible.
- 4.2. Officials serving on the Investment Committee have a responsibility and are accountable to the community to exercise due care when investing public funds

5. Legislative Framework

- 5.1. In terms of Section 13 of the Municipal Finance Management Act (Act 56 of 2003) a Municipality may, subject to such framework as the Minister may determine by notice in the Gazette, from time to time, invest in the follow instruments or investments.
 - 5.1.1. Deposits in Registered banks.
 - 5.1.2. Security issued by national government.
 - 5.1.3. Public investment commissioners.

- 5.1.4. Corporations for public deposits.
- 5.1.5. A municipality's own stock or similar type of debt.
- 5.1.6. Internal Funds of a municipality which have been established in terms of a law to pool money available to the municipality and to employ such money for the granting of loans or advances to departments within a Municipality to finance capital expenditure.
- 5.1.7. Banker's acceptance certificates or negotiable certificates of deposit banks.
- 5.1.8. Long-term securities offered by insurance companies to meet redemption fund requirements.
- 5.1.9. Other investments as the Minister may determine by notice in the Gazette.
- 5.1.10. Any other instruments of investments in which a municipality was under a law permitted to invest before the commencement of the Local Government Transition Act Second Amendment Act, 1996, provided that such instruments shall not extend beyond the date of maturity or redemption thereof

5.2. A municipality must, within 30 days after an investment with a period of 12 months or longer has been made, publish in a local newspaper in circulation its area of jurisdiction full details of any investment so made.

6. Core Focus of Cash Management Programme

Adequate and effective cash management is one of the main functions of the Chief Financial Officer and delegates.

The core focus of the Council's Cash Management Program shall be as follows:

6.1. Budgeting

- 6.1.1. The Municipality shall keep a formal budgeting policy, approved by the Council;
- 6.1.2. Budgets shall be maintained in a manner prescribed by Chapter 4 of the Municipal Finance Management Act; and
- 6.1.3. Cash flow forecasts shall be credible and consistent with the integrated Development Plan and the annual budget.

6.2. Receivables

6.2.1. Sound cash management requires that certain policies and procedures be in place so as to minimize the cost of receivables. The cost includes the cost of carrying the receivables and the risk of failure to collect outstanding balances.

6.2.2. The Municipality shall keep an effective system to achieve the following:

- 6.2.1.1. Keep an accurate updated record of receivables that can be monitored daily;
- 6.2.1.2. Controlling revenue; and
- 6.2.1.3. Collecting receivable timeously.

6.2.3. The Chief Financial Officer or delegate shall review the debt collection performance on a regular basis and ensure that the Municipality adheres to its Performance Management System.

6.3. Cash Collection

6.3.1. The Municipality shall maintain an effective system to ensure the following practices:

6.3.1.1. All monies due to Council must be collected as early as possible and banked daily where possible.

6.3.1.2. Special deposits should be made for large receipts to ensure that they are banked on the date of receipt thereof.

6.3.1.3. It is essential for:

- all amounts owed to Council to be raised by way of a debit in the appropriate debtor system; and
- effective banking control systems to be introduced to ensure that moneys received by the Council are deposited timeously.

6.3.1.4. In addition to any other statutory analysis requirements, monthly reviews of debt collections must be performed by comparing current debt due to the Council in relation of total income , as compared to the position in previous month in order to ascertain whether the debt collection process is improving or deteriorating;

- 6.3.1.5. Any deterioration in the debt collection ratio must be dealt with in accordance with the Credit Control Policy of the Council and the required remedial action to rectify the position must be taken by the Council.
- 6.3.1.6. Cash are safeguarded and fraud prevented;
- 6.3.1.7. The Municipality has at least one bank account in its name;
- 6.3.1.8. New bank account are only open if required;
- 6.3.1.9. All bank accounts held by the Municipality are accounted for in its accounting system;
- 6.3.1.10. All payments received by the Municipality are paid into its bank account or accounts, and this is done promptly as prescribed by legislation; and
- 6.3.1.11. The accounting records are monitored on a daily basis and can be reconciled to the accounting system at least on a monthly basis.

6.4. Payment of Creditors

- 6.4.1. Sound cash management requires that certain policies and procedures will manage the trade credit to ensure that the Municipality can maximize its cash balances at relatively no cost.
- 6.4.2. As creditors have an impact on working capital, the following matters must be borne in mind with regard to the adequate control over and the timing of payment of creditor accounts:
 - 6.4.6.1. Cost factors are to be investigated in so far as it concerns the medium of payment, be it electronically or by cheque;
 - 6.4.6.2. Adequate steps must be taken to avoid excessive bank charges and payments are to be limited to one payment per month per creditor as far as possible.
 - 6.4.6.3. In the case of electronic transfers strict control measurements must be implemented to safeguard Council from any losses that may be incurred as a result of the use of this medium of payment;
 - 6.4.6.4. When considering when to pay a creditor, consideration must be given to the terms of credit offered. When cash discount are offered on early settlement, the discount given and the time scale involved, would in most cases outweigh any investment benefit that could be obtained by the temporary placement of funds in an investment.
 - 6.4.6.5. In order to reduce bank charges, salaries and allowances should be paid whenever possible on a single date in a month and preferably electronically.
 - 6.4.6.6. Creditors shall be paid in line with budget, cash flow forecasts and limits in terms of the delegation of authority.
 - 6.4.6.7. Payment shall only be made for services and goods once delivery has taken place.
 - 6.4.6.8. When Creditors are paid, the payment voucher must be clearly endorsed to this effect in order to avoid a duplicate payment.
 - 6.4.6.9. Credit terms shall not just be accepted, but negotiated with suppliers on an ongoing basis, provided it is in terms of Section 65(2)(e) and section 99(2)(b) of the Municipal Financial Management Act, 2003; and

6.4.6.10. The Chief Financial Officer or delegate shall first approve a new supplier's terms or changes to current suppliers' credit terms

6.5. Inventory Management

6.5.1. Sound cash management requires that the Municipality should avoid over-capitalizing, while still ensuring efficient service delivery.

6.5.2. Cash Flow can be enhanced through an adequate system of inventory management.

6.5.3. The following practices shall apply with regard to inventory management:

6.5.3.1. Stock levels held in a stores system must be constantly reviewed;

6.5.3.2. Only essential levels of stock are to be maintained where supplies are readily available against annual supplies contracts from local suppliers;

6.5.3.3. Cognizance must be taken of the fact that stock held for any length of time is dead capital which has an appropriate cost associated with it;

6.5.3.4. Cognizance must be taken of the fact that stocks held in excess of requirements for long periods of time may become obsolete.

6.5.3.5. Obsolete stock must be disposed of annually to derive additional revenue;

6.5.3.6. Where possible, the Council ownership of stock must be clearly marked on such stock; and

6.5.3.7. Adequate control and documentation must be maintained over stock issues

6.5.4. The Chief Financial Officer must on a yearly basis report to the Council on:

6.5.4.1. The turnover of the 20 highest value stock items accompanied by recommendations on how to improve the turnover rate of such stock items;

6.5.4.2. All surpluses and shortfalls in stock levels as well as reasons for such surpluses and shortfalls.

6.6. Cash Flow

6.6.1. Council, prior to effecting an investment, must ascertain whether surplus funds exist and the period for which funds may be invested.

6.6.2. A cash flow forecast is essential to determine the availability of potential investment funds.

- 6.6.3. In developing cash flow forecasts, Council must be aware of the expected cash inflows and when they are likely to occur, as well as the timing of the outflows in terms of the operating and capital estimates.
- 6.6.4. The Chief Financial Officer shall at least once in every six months report to the Council on the anticipated cash flow of the Council for the ensuing six months and any plans to finance any shortfall.

6.7. Assets Management

- 6.7.1. Assets shall only be acquired in conformity with proper budgeting practice, as mentioned under 'budgeting' in this document.
- 6.7.2. The Chief Financial Officer or delegate shall identify under-utilised assets and consider disposing them, subject to Section 14 of the Municipal Financial Management Act, 2003

6.8. Debt

The Municipality may only incur debt in terms of the Municipal Finance Management Act, 2003, chapter 6 and with the approval of the Council.

Short-term debt

The Municipality shall incur short-term debt only when necessary to bridge:

- Unavoidable shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year, and
- Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitment, provided that; the short-term debt is clearly indicated in the cash flow estimates.

The Municipality shall pay off short-term debt within a financial year and shall not refinance its short-term debt.

Long-term debt

The Municipality shall incur long-term debt only for the purpose of capital investment in property, plant or equipment, as approved in the Integrated Development Plan and annual budget and shall be used for the purpose of achieving the objects of the Municipality.

7. Investments

7.1. Investments Ethics

The following ethical principles shall apply when dealing with financial institutions and other interested parties:

- 7.1.1. The MM and CFO will be responsible for the investment of funds, and they have to steer clear of outside interference, regardless of whether such interference comes from individual Councillors, agents or any other institution;
- 7.1.2. Under no circumstances may inducements to invest be accepted;
- 7.1.3. Speculation with public funds shall not be allowed;
- 7.1.4. Interest rates quoted by one institution must not be disclosed to another institution; and
- 7.1.5. The business ethics of any controlling body of which the relevant financial institution is a member must be observed by such institution or body at all times.

7.2. Investments Principles

The following guiding principles are to be adhered to in order to facilitate the Administration of Council's investment portfolio. A risk management plan will give guidance

7.2.1. Limit Exposure to a single Institution

7.2.1.1. Investment of funds, where this involves large amounts, should be distributed over more than one institution in order to limit Council's risk exposure.

7.2.1.2. The Municipality shall plan the distribution of its investments to cover different types of investments.

7.2.2. Risk and Return.

7.2.1.3. As a general principle, it must be accepted that the greater the return the greater the risk.

7.2.1.4. The CFO or delegates are responsible for ensuring that the risk is the proposed investment is rated realistically.

7.2.3. Borrowings for Re-Investment

6.4.1.1. The Municipality shall only borrow money for reinvestment in exceptional cases.

6.4.1.2. Council should refrain from borrowing for the purpose of re-investment as this is tantamount to speculation with public funds.

7.2.4. Nominee Accounts

All moneys shall be invested directly with the relevant institutions. On no account may moneys be placed in a nominee account.

7.2.5. Registered Financial Institutions

The CFO or delegates shall ensure that a proposed financial institution is approved:

- In terms of the Banks Act;
- By the Reserve Bank;
- In the latest list of approved financial institutions obtained from the Provincial Government; and
- By a Council resolution

7.2.6. **Growth-Related Investment**

When making investments, the CFO or delegates shall guarantee that at least the capital amount invested is safe, and shall exercise due diligence in this regard.

8. **General Investment Practice**

8.1. **General**

Should it be ascertained that surplus funds are available for investment, and then written quotations including faxed quotations should be obtained from financial institutions for various forms of investment terms and rates of interest.

The investment shall be placed with an institution offering the most favourable rate provided such investment is in accordance with the terms and condition of this policy.

Institutions should be advised that, in submitting quotations, they must offer their best rates of interest and that no further negotiation of discussion will be entered into with them after they have submitted their quotation.

8.2. Payment of Commission

The Auditor General requires the financial institution, where the investment is made, to issue a certificate for each investment made. This certificate shall state that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.

The CFO or delegate shall ensure that any financial institution that held an investment for the Municipality at any time during a financial year, shall:

- Within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year; and
- Promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor-General.

8.3. Cash at Bank

Where money is kept in current accounts, the Municipality shall, where possible, bargain for more beneficial rates with regards to deposits, for instances call deposits. Fixed term deposits can increase these rates.

8.4. Credit Worthiness

Prior to investing in smaller registered financial institutions, the Investment Committee must ensure that the Council is not over-exposed and should satisfy itself as to the credit-worthiness and previous track record of the institution before placing funds.

In order to reduce the risk in this regard, investments must only be made with financial Institutions registered in terms of relevant legislation with an office within the council's area of jurisdiction.

9. Establishment of Investment Committee

The Council will establish an Investment Committee which, *inter alia*, will be responsible to advise the Council quarterly on the status of existing investments and provide proposals on new investments which are to be made.

The Committee will comprise the following:

- The Municipal Manager or his/her delegated nominee.
- The Chief Financial Officer or his/her delegated nominee.
- Sectional Head: expenditure.

Any two members of the Committee shall form a quorum and the Committee will have authority to make decisions within the powers granted to the Committee by the Council.

10. Control Over Investments

10.1. An investment register shall be kept of all investments made. The following facts shall be indicated:

- 10.1.1. Name of institution;*
- 10.1.2. Capital investment;*
- 10.1.3. Date invested;*
- 10.1.4. Interest rate; and*
- 10.1.5. Maturation date*

10.2. The Sectional Head: Asset Management and Budget Control must retain all quotations received for record and audit purposes.

10.3. All investment certificates are to be kept in a securities file which shall be safeguarded in a fire proof safe.

10.4. In respect of grant funds, a separate file must be kept of the letter of grant and other pertinent information. Regular reports must be submitted to all grant agencies.

10.5. The Sectional Head: Asset Management and Budget Control must complete and will be responsible for the maintenance of an Investment Register complying with audit requirements.

11. Delegation of Authority

The Council may, in terms of Section of 59 of the Municipal Systems Act 2000, delegate any of its functions and responsibilities in respect of this policy to a

Committee of the Council, the Investment Committee, the Municipal Manager and the Chief Financial Officer of the Council provided that such delegation will not absolve the person to whom such a function or responsibility has been delegated from complying with any statutory reporting requirement of such reporting requirement as may be contained in this policy.

Funding and Reserves Policy

Date approved : 6 April 2010

Operation date: 1 July 2010

1. Introduction

1.1. This policy of the Chief Albert Luthuli Municipality has been developed to comply with –

- 1.1.1. the Municipal Budget and Reporting Regulations, 2008 as published by National Treasury as Notice 393 in the Government Gazette No. 32141 on 17 April 2009;

- 1.1.2. the MFMA Funding Compliance Guideline as published by National Treasury on 10 March 2008; and
- 1.1.3. the MFMA Circular No. 42 as issued by National Treasury on 30 March 2007.

1.2. This Funding and Reserves Policy will set out the assumptions and methodology for estimating –

- 1.2.1. projected billings, collections and all direct revenues;
- 1.2.2. the provision for revenue that will not be collected;
- 1.2.3. the funds the municipality can expect to receive from investments;
- 1.2.4. the dividends the municipality can expect to receive from municipal entities;
- 1.2.5. the proceeds the municipality can expect to receive from the transfer or disposal of assets;
- 1.2.6. the municipality's borrowing requirements; and
- 1.2.7. the funds to be set aside in reserves.

1.3. When developing or amending this policy, the municipal manager must ensure that the policy -

- 1.3.1. is consistent with the most recent actual billings and collection trends;
- 1.3.2. takes into account the credit rating of the municipality, if available, the financial position of the municipality, the cost of borrowing and the capacity to repay debt;
- 1.3.3. takes into account all the budget-related policies of the municipality, particularly recent amendments to any of those policies;
- 1.3.4. takes account of any statutory requirements to set aside funds in reserves; and
- 1.3.5. takes account of the transfer and disposal of assets.

2. General Principles

2.1. The Chief Albert Luthuli Municipality reaffirms its adherence to the MFMA.

2.2. The Municipality will ensure that its annual budget will only be funded from –

- 2.2.1. realistically anticipated revenues to be collected;
- 2.2.2. cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- 2.2.3. borrowed funds, but only for the capital budget referred to in section 17(2) of the MFMA.

2.3. The Municipality will ensure that its revenue projections will be realistic taking into account –

- 2.3.1. projected revenue for the current year based on collection levels to date; and
- 2.3.2. actual revenue collected in previous financial years.

2.4. The Municipality will only spend money on a capital project only if the sources of funding have been considered, are available and have not been committed for other purposes.

3. Measurement and Reporting

3.1. The Chief Financial Officer shall undertake the funding compliance review as contemplated in the MFMA Funding Compliance Guideline, and shall attach the duly completed Table A10 of the Guideline to the budget for presentation to the Council.

3.2. The budget presented to Council shall include the certification that, *“in the opinion of the Chief Financial Officer, this budget meets the prescriptions of sections 18 and 19 of the MFMA”*.

4. Projected Billings, Collections and all Direct Revenues

4.1. The budget presented to Council shall reflect the full amounts that the municipality is anticipated to bill, accrue or otherwise levy and also to include any other revenue directly received (e.g. bus fares and recreation facility admission fees) for the three-year MTEF budget period.

4.2. The amounts reflected in section 4.1 above shall not include any provisions for doubtful and bad debts (i.e. amounts billed that are not expected to be collected).

4.3. A statement to the effect that *“the number of consumer accounts has been reconciled with property records and metering information”* should be included in the budget presented to Council.

5. Provision for Revenue that will not be collected

5.1. The budget presented to Council shall reflect the revenue that the municipality expects to collect, which must include an estimate of the monies to be collected from the current year and a forecast of monies to be collected from the revenues of previous years (e.g. collections from debtors in arrears based on historical performance), for each year of the three-year MTEF budget period.

5.2. The monies identified in section 5.1 above shall not include revenue from debtors that are not realistically likely to be collected, regardless of whether an adequate bad debt provision has been included under expenses.

5.3. If the budget anticipates an improvement in the collection rate, this must be supported by changes in policies and/or practices, and any such improved collection rate may only be budgeted for in the year after such change is first implemented.

5.4. Prior to the adoption of the budget, Council must have reviewed (within the previous six months) its policy for impairment of outstanding debtor accounts, and the Audit Committee must confirm that this policy has been implemented with regard to this budget.

6. Funds the Municipality can expect to receive from Investments

6.1. The budget presented to Council shall reflect the full value of the municipality's investments recorded in terms of section 17(3)(f) of the MFMA, together with any income expected to be derived from such investments.

6.2. This data presented in terms of section 6.1 above should include audited actuals for the previous year, estimates for the current year, as well as projections for the three-year MTEF budget period.

6.3. Should the projections vary significantly from the actuals or estimates, detailed reasons must be provided to motivate such variances.

7. Dividends the Municipality can expect to receive from municipal entities

Should, at any stage, the Chief Albert Luthuli Municipality enter into a contract with a municipal entity, it shall declare all dividends anticipated to be received from that entity for the three-year MTEF budget period.

8. Proceeds the Municipality can expect to receive from the Transfer or Disposal of Assets

8.1. The budget presented to Council shall reflect the full value of any assets that the municipality intends to transfer or sell during the MTEF period of the budget, together with the income that is anticipated from their transfer or sale.

8.2. Unless specifically motivated otherwise in the budget, all such proceeds shall be credited to the Capital Development Fund of the municipality.

9. Municipality's Borrowing Requirements

9.1. The Chief Albert Luthuli Municipality does not envisage borrowing in the near future. Should circumstances change, the Council must adopt appropriate policies to regulate such borrowings before negotiations with respect to such borrowings are initiated.

10. Funds to be set aside in Reserves

10.1. With the exception of the Capital Development Fund, no Reserve may be established unless it required to reduce a defined risk which has been specifically identified under the municipality's Risk Management program.

10.2. A minimum of 5% of the municipality's combined capital and operational budgets shall be budgeted for transfer to the Capital Development Fund annually.

Long-term Financial Planning Policy

Date approved : 6 April 2010

Operation date: 1 July 2010

1. General Policy Considerations

1.1. A Long-term Financial Plan is required to cover a minimum 15-year timeline in order to contextualise the municipality's medium-term budget.

1.2. The first step in the formulation of the Long-term Financial Plan is the preparation of a set of **nation-wide planning indicators** which should include, at least, the following –

- 1.2.1. changes in the national and global economic climate – to the extent that it impacts upon the municipality;
- 1.2.2. the role of national and provincial governments within the developmental state paradigm;
- 1.2.3. current and anticipated levels of inflation, exchange rates and debt (governmental);
- 1.2.4. changes in the size, nature and conditionality of national grants both for operating and capital expenditure;
- 1.2.5. developments in financial planning (including the MFMA, GRAP and National Treasury procedural enhancements);

1.3. The second step in the formulation of the Long-term Financial Plan is the preparation of a set of **municipal planning indicators** which should include, at least, the following –

- 1.3.1. demographic trends such as age structure and the nature of the labour force;
- 1.3.2. economic development within the municipality and interactions with neighbouring municipalities as well as at the national and international levels;
- 1.3.3. reprioritisation in policy as the municipality develops, both with regard to the nature of services to be provided (e.g. broadband infrastructure) as well as the levels of service delivery expected as ever higher quality becomes the norm;
- 1.3.4. changes in payment levels that permit a sustainable budget and hence greater access to external resources (e.g. borrowing, etc);
- 1.3.5. changes to the staff structure as well as skills balance within the municipality; and
- 1.3.6. any other material trends or projections that can be ascertained.

1.4. The third step in the formulation of the Long-term Financial Plan is the compilation of a **planning framework** which should provide the following –

- 1.4.1. an outline of anticipated municipal policy and priorities as they change over time;
- 1.4.2. a realistic annual revenue projection based upon such outline;
- 1.4.3. a realistic annual expenditure projection based upon such outline; and
- 1.4.4. a proposed strategy to address any imbalances between anticipated revenue and expenditure;

2. Implementation at the Municipality

2.1. The process of developing such a Long-term Financial Plan is complex and time-consuming and requires a range of specialist skills.

2.2. Given the limited capacity of the Chief Albert Luthuli Local Municipality, the municipality will seek to co-operate with the Gert Sibande District Municipality in the development of both nation-wide and municipal (district) planning indicators (as set out in sections 1.2 and 1.3 above).

2.3. The Chief Albert Luthuli Municipality will then develop a planning framework that will meet the needs of its Long-term Financial Plan in line with section 1.4 above.

2.4. The Council should adopt this Long-term Financial Plan annually when the mayor tables the IDP process plan as well as the budget timetable before 31 August – i.e. 10 months before the start of the financial year.

Indigent Policy

Date approved : 6 April 2010

Operation date: 1 July 2010

1. Introduction

- 1.1. The Chief Albert Luthuli Municipality reaffirms its commitment to the national principles that should underpin indigent policy –
 - 1.1.1. Everyone has inherent dignity and the right to have their dignity respected and protected. All process that involves the provision of services to citizens must be done in such a manner as to respect the entrenched rights and dignity of those citizens.
 - 1.1.2. Municipalities must provide basic services to its indigent in a sustainable manner. It is not expected that a municipality will provide Free Basic Services beyond its financial and other capacities.
 - 1.1.3. Indigents must be afforded access to more than just the Free Basic Services package. It is widely acknowledge that the Free Basic Services package on its own will not see indigent communities standards of living improve. It is imperative that linkages be made between the Free Basic Services package and the broader package of social services.
 - 1.1.4. In providing Free Basic Services to indigents, municipalities must provide these services at the recognised and approved minimum basic levels. Municipalities are not dissuaded from providing a higher level of a service if they can afford to do so, and can sustain this higher level.
 - 1.1.5. Free Basic Services are targeted at the indigent. Therefore a municipally can use any approach it chooses to provide Free Basic Services as long as it can ensure and demonstrate that the indigent are benefiting from Free Basic Services.
 - 1.1.6. The municipal indigent policy is not a stand alone policy which is independent from municipalities' IDP's, its debt and credit control procedures, its municipal by laws etc. Municipalities' indigent policies need to be developed to integrate with these strategic management plans and procedures so as to ensure that the municipalities will be able to sustain their Free Basic Services programme.
 - 1.1.7. Municipalities need to start planning realistic exit strategies for their indigent populations to exit from the indigent registers and subsidies. This will entail that the living circumstance of the indigent has improved significantly so that the indigent can afford to pay for their service. What this implies is that municipalities should integrate their Free Basic Services delivery with structured poverty alleviation programmes.
 - 1.1.8. Due to the varying circumstance and conditions within municipalities it is recognised that municipalities should exercise their right to apply the national indigent framework and these guidelines according to their own circumstances.

1.2. This Indigent Policy will –

- 1.2.1. allow the municipality to target the delivery of essential services to citizens who experience a lower quality of life;
- 1.2.2. identify how the indigent will be accessed;
- 1.2.3. establish the process that will be used to manage the indigent;
- 1.2.4. identify the process for tracking and assessing the service received by the indigent, as well as the real benefit that has resulted from the subsidies;
- 1.2.5. provide policy direction to the municipality's IDP's and financial planning instruments;
- 1.2.6. establish the process to set targets (milestones) for the rollout of free basic services to the entire indigent population within the municipal area; and
- 1.2.7. *identify the linkages between the various poverty alleviation programmes that will result in the indigent moving away from the poverty trap.*

2. Legislative Framework

2.1. This policy has been prepared in line with the Guidelines for the Implementation of the National Indigent Policy by Municipalities issued in 2005.

2.2. Legislation that directly impacts upon this policy include –

- 2.2.1. Constitution of the Republic of South Africa
- 2.2.2. Local Government Municipal Property Rates Act, 2004 (Act No. 6 of 2004)
- 2.2.3. Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)
- 2.2.4. Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- 2.2.5. Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)

2.3. National policies and guidelines that directly impact upon this policy include –

- 2.3.1. Guidelines for the Implementation of the National Indigent Policy
- 2.3.2. Framework for a Municipal Indigent Policy
- 2.3.3. Communications Handbook on Free Basic Services
- 2.3.4. Study to determine progress with and challenges faced by municipalities in the provision of Free Basic Services & supporting those municipalities struggling with implementation

3. Free Basic Services

- 3.1. Only qualifying indigent households that have been registered by the Municipality in terms of this Indigent Policy may receive benefits under the Free Basic Services Policy.
- 3.2. The funding and financial management of this Indigent Policy and the Free Basic Services Policy is covered under the Credit and Debit Control Policy of the municipality

4. Qualification

- 4.1. In order to qualify as an indigent household of Chief Albert Luthuli, a household must meet all of the following requirements in order to be registered –
- 4.1.1. have a total income less than or equal to the social state pension grant or R2 300 per month;
 - 4.1.2. must occupy a dwelling that receives Municipal services;
 - 4.1.3. neither the applicant or any other member of the household may not own fixed property other than the one in which they reside and for which application has been lodged, whether inside or outside the Municipality's area of jurisdiction; and
 - 4.1.4. must comply with any other terms or conditions determined by the Council from time to time.
- 4.2. *Where a household that does not have a municipal account is in a remote rural community, these households may still apply and be registered as an indigent household, although benefits will be limited to access to free basic water delivered in water tankers.*
- 4.3. Council reserves the right to review and revise the scheme conditions, criteria and benefits, as it deems necessary.
- 4.4. Notwithstanding anything else set out in this policy, Council reserves the right to reject applications or to deregister an indigent household, when such actions are taken by resolution.

5. Registration

5.1. Qualifying households may apply to register as indigent at any time during the financial year on the prescribed application form of the Council.

5.2. *The person applying on behalf of a household must –*

- 5.2.1. *be a South African citizen;*
- 5.2.2. *not be younger than twenty one years of age, except if the child is appointed executorship by a court of law;*
- 5.2.3. *must reside and be a full-time occupant at that property except in the case of a child headed household; and*
- 5.2.4. *must be the owner or tenant who receives Municipal services and is registered as an account holder on the Municipal financial system.*

5.3. In the case of a deceased estate, the surviving spouse or dependants of the deceased, who occupy the property may apply if they meet the all the above criteria except paragraph 5.2.4.

5.4. *The Board of Trustees / Managing Agent / Chairperson of a Body Corporate of bodies corporate or retirement centres that accommodate households that would otherwise qualify as indigent, may apply to the Chief Financial Officer for registration in order to receive a pro-rata subsidy on Free Basic Services, although it is at the sole discretion of the municipality as to whether such application is approved.*

5.5. An application must be accompanied by –

- 5.5.1. documentary proof of income such as a letter from the *applicant's* employer, salary advice, pension card, unemployment fund card, or an affidavit declaring unemployment or household income;
- 5.5.2. details of any other grants or subsidies received by the applicant or any other member of the household must be supplied, although these will not be considered as income in terms of paragraph 4.1;
- 5.5.3. the applicant's latest municipal account;
- 5.5.4. a certified copy of the applicant's identity document; and
- 5.5.5. the names and identity numbers of all occupants over the age of 18 years who are resident at the property.

5.6. As part of the application, the applicant must be willing to give consent for external scans and credit bureau checks.

5.7. *As part of the application, the applicant must consent to receiving the service and agree to the terms and conditions specified by the municipality.*

- 5.8. An indigent household must re-apply annually before the end of April for the next financial year for registration as an indigent household, failing which any benefits will be withdrawn automatically from 1 July of the new financial year.
- 5.9. A reapplication must follow the same process and procedure set out above.
- 5.10. The Municipality does not guarantee the re-registration of indigent households.
- 5.11. A registered indigent household must be in possession of a letter of registration from the Municipality.
- 5.12. The Council may cause inspectors to visit indigent households to audit the veracity of the data in the application form and to record any changes in circumstances and make recommendations on the continuation or discontinuation of the registration or any subsidy.

6. Deregistration

- 6.1. A registered indigent household must immediately request de-registration by the Municipality if the circumstances of the household have changed to the extent that the household no longer meets the qualification set out in paragraph 4.

7. Disqualification

- 7.1. An applicant who provides false information in an application form and/or any other documentation with the application –
- 7.1.1. shall automatically, without notice, have their household de-registered as an indigent household from the date on which the Municipality became aware that such information is false;
 - 7.1.2. shall be held liable for the payment of all services received in addition to any other legal actions the Municipality may take against such a customer;
 - 7.1.3. shall never in future be allowed to lodge an application for an indigent household, whatever the circumstances he/she may have to endure in future.
- 7.2. Households will be disqualified from the scheme if –

- 7.2.1. the application was filled in dishonestly;
- 7.2.2. any audit indicates changes in the financial circumstances of the household that may impact upon their meeting the qualifying criteria.

8. Management

8.1. *The Council and Municipal Manager must establish strategies that tackle each of the following four key issues –*

- 8.1.1. *actively encouraging all qualifying persons to register as indigents under this policy;*
- 8.1.2. *ensuring that all registered indigent households have physical access to the services (i.e. the infrastructure required must be in place);*
- 8.1.3. *ensuring that free basic services are provided in a reliable, appropriate and sustainable manner, and that the service is having the desired impact in improving the lives of the indigent;*
- 8.1.4. *ensuring that the subsidies offered are properly targeted towards the indigent and that those who can afford to pay do not get subsidised.*

8.2. *The Municipality must ensure that its IDP prioritises the provision of free basic services to all indigent households*

8.3. *The Municipal Manager and senior managers must align their poverty alleviation programmes to meet the needs of indigent households, and support these households in their struggle to escape from the poverty trap in which they find themselves.*

9. Communications

9.1. *The municipality should develop its communication strategy for the Indigent Programme in line with the Communications Handbook on Free Basic Services as issued by the DPLG in 2005.*

9.2. *The Municipal Manager is responsible for communicating with all the residents of the municipality –*

- 9.2.1. *What is the municipality trying to achieve with regards to the indigent policy;*
- 9.2.2. *How will the municipality be going about implementing the indigent policy;*
- 9.2.3. *What is the value for indigent and non indigent households;*
- 9.2.4. *Who qualifies for the service and how the municipality has determined this; and*
- 9.2.5. *How should qualifying household access the services.*

10. Monitoring and Evaluation

10.1. The municipal manager shall report on a monthly basis to the mayor or executive committee, as the case may be, for the month concerned and by municipal ward –

10.1.1. the number of households registered as indigents and a brief explanation of any movements in such numbers;

10.1.2. the monetary value of the actual subsidies and rebates granted;

10.1.3. the budgeted value of the subsidies and rebates concerned; and the above information cumulatively for the financial year to date.

10.2. The mayor or executive committee, as the case may be, shall submit the above reports on a quarterly basis to the council and to the municipality's ward committees, or monthly frequently to any ward committees if so requested.

10.3. As far as To the extent resources permit, the municipality should develop a strategy that ascertains whether –

10.3.1. the service is being offered at the appropriate service level, in view of the environment, financial aspects and the social habits of the community;

10.3.2. the service is operating adequately;

10.3.3. the community is making appropriate use of the service;

10.3.4. the community requires any form of training to make better use of the service;

10.3.5. the service is meeting the required needs of the community; and the service is beneficially impacting on poverty or the quality of life of the beneficiaries.

Chief Albert Luthuli Municipality



**DRAFT FREE BASIC SERVICES
POLICY**

Operation date : 1 July 2012

TABLE OF CONTENTS

	Page
1. Introduction	1
2. Legislative Framework	2
3. Free Basic Services	2
4. Electricity Supply	3
5. Water Supply	4
6. Electricity and Water Basic Charges	4
7. Sanitation Service	4
8. Refuse Removal Service	4
9. Assessment Rates	4
10. Services to Customers billed with a 'Flat Rate'	4
11. Suspension of Arrears Payments	4
12. Effective Date	5

1. Introduction

(1) Chief Albert Luthuli Municipality reaffirms its commitment to the national principles that should underpin the Indigent Policy –

- (i) Everyone has inherent dignity and the right to have their dignity respected and protected. All process that involves the provision of services to citizens must be done in such a manner as to respect the entrenched rights and dignity of those citizens.
- (ii) Municipalities must provide basic services to its indigent in a sustainable manner. It is not expected that a municipality will provide Free Basic Services beyond its financial and other capacities.
- (iii) Indigents must be afforded access to more than just the Free Basic Services package. It is widely acknowledge that the Free Basic Services package on its own will not see indigent communities standards of living improve. It is imperative that linkages be made between the Free Basic Services package and the broader package of social services.
- (iv) In providing Free Basic Services to indigents, Municipalities must provide these services at the recognised and approved minimum basic levels. Municipalities are not dissuaded from providing a higher level of a service if they can afford to do so, and can sustain this higher level.
- (v) Free Basic Services are targeted at the indigent. Therefore a Municipality can use any approach it chooses to provide Free Basic Services as long as it can ensure and demonstrate that the indigent are benefiting from Free Basic Services.
- (vi) The Municipal Indigent Policy is not a stand-alone policy which is independent from the Municipalities' IDP's, its debt and credit control procedures, its Municipal by- laws etc. Municipalities' indigent policies need to be developed to integrate with these strategic management plans and procedures so as to ensure that the Municipalities will be able to sustain their Free Basic Services programme.
- (vii) Municipalities need to start planning realistic exit strategies for their indigent populations to exit from the indigent registers and subsidies. This will entail that the living circumstance of the indigent has improved significantly so that the indigent can afford to pay for their service. What this implies is that municipalities should integrate their Free Basic Services delivery with structured poverty alleviation programmes.
- (viii) Due to the varying circumstance and conditions within Municipalities it is recognised that Municipalities should exercise their right to apply the national indigent framework and these guidelines according to their own circumstances.

(2) This Free Basic Services Policy will –

- (i) align to the Municipality's poverty alleviation programme;
- (ii) allow the Municipality to target the delivery of essential services to citizens who experience a lower quality of life;
- (iii) define the services will be delivered;

- (iv) define the level of each particular service will be provided to beneficiaries;
- (v) assist in establishing the resources allocated by a municipality to enable their Indigent Policy.

2. Legislative Framework

- (1) Legislation that directly impacts upon this policy include –
 - (i) The Constitution of the Republic of South Africa
 - (ii) Local Government Municipal Property Rates Act, 2004 (Act No 6 of 2004)
 - (iii) Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)
 - (iv) Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000)
 - (v) Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)
 - (vi) Water Services Act, 1997 (Act No 108 of 1997).
- (2) National policies and guidelines that directly impact upon this policy include –
 - (i) Free Basic Water guidelines for local authorities
 - (ii) Free Basic Water Implementation Strategy
 - (iii) Communications Handbook on Free Basic Services
 - (iv) Electricity Basic Services and Support Tariff (Free Basic Electricity) Policy
 - (v) Study to determine progress with and challenges faced by Municipalities in the provision of Free Basic Services & supporting those Municipalities struggling with implementation.

3. Free Basic Services

- (1) Only qualifying indigent households that have been registered by the Municipality in terms of its Indigent Policy may receive benefits under the Free Basic Services Policy.
- (2) The provision of free basic services is based on the expected Equitable Share to be paid to the Council by National Treasury annually. The annual adjustment to these benefits is subjected to the increase in the Equitable Share.

- (3) The Municipal Council will annually, as part of its budgetary process, determine the Municipal services and levels thereof that will be subsidised in respect of indigent customers in accordance with national policy, subject to the principles of sustainability and affordability. This may necessitate a review of the free basic services outlined in this policy
- (4) The Municipal Council shall, in the determination of Municipal services that will be subsidised for indigents, give preference to subsidising at least the following services:
 - (i) water supply;
 - (ii) electricity supply;
 - (iii) water and electricity basic charges;
 - (iv) sanitation services;
 - (v) refuse removal services;
 - (vi) assessment rates;
 - (vii) services to customers billed with a “flat rate” where consumption is not metered; and
 - (viii) suspension of arrears payments.
- (5) When resources permit, the Municipal Council should give consideration to the provision of additional benefits, including –
 - (i) child-headed households to be linked to social, economic and educational services; and
 - (ii) burial or cremation benefits.

4. Electricity Supply

- (1) The Municipality will supply 50 (fifty) kWh per month per household to registered indigents will be provided free of charge.
- (2) Should an indigent household use less than the allowance as set out in Section 4.1 above, the balance cannot be carried forward to a following month, nor will any refund be made.
- (3) Electricity usage in excess of the allowance as set out in Section 4.1 above must be purchased at the applicable electricity tariff.
- (4) Indigent households which exceed free basic services and are in arrears for the payment thereof, may be restricted in respect of electricity.

- (5) The electricity supply may be limited by the Municipality to a maximum of 20 amperes and the prepaid dispensers at each home will be set accordingly.
- (6) The necessary activating number to the value of 50 kWh will be obtained from a Municipal pay-point on monthly basis.
- (7) Upon the discovery and confirmation of any tampering to electricity supply equipment or electricity theft, the indigent household will be deregistered as per the Indigent Policy.

5. Water Supply

- (1) The Municipality will supply 6 (six) kilolitres per month per household to registered indigents will be provided free of charge.
- (2) Should an indigent household use less than the allowance as set out in Section 5.1 above, the balance cannot be carried forward to a following month, nor will any refund be made.
- (3) Water usage in excess of the allowance as set out in Section 5.1 above must be purchased at the applicable water tariff.
- (4) Indigent households which exceed free basic services and are in arrears for the payment thereof, may be restricted in respect of water.
- (5) The water supply may be restricted by the Municipality. Where practical, a restriction of 15 kilolitres per month shall be applicable to registered indigents. Where a restriction of 15 kilolitres per month is exceeded repeatedly for a period exceeding three consecutive months in a calendar year a restricted metered service be installed to limit water consumption to more affordable levels.
- (6) Upon the discovery and confirmation of any tampering to water supply equipment or water theft, the indigent household will be deregistered as per the Indigent Policy.

6. Water and Electricity Basic Charges

- (1) The Municipality will offer a **100%** rebate on Water and Electricity basic charges, where applicable, in line with the approved tariffs of Council from time to time.

7. Sanitation Services

- (1) The Municipality will offer a 50% rebate on the cost of Sanitation Services as per the approved tariff of Council from time to time.

8. Refuse Removal Services

- (1) The Municipality will offer a 50% rebate on the cost of Refuse Removal Services to a maximum of one removal per household per week as per the approved tariffs of Council from time to time.

9. Assessment Rates

- (1) The Municipality will offer a 100% rebate on the assessed rates with a maximum property value threshold the Council will determine as part of the budgetary process annually.

10. Services to Customers billed with a “flat rate” where consumption is not metered

- (1) The Municipality will offer a 100% rebate on services to customers billed with a “flat rate” where consumption is not metered.

11. Suspension of Arrears Payments

- (1) Arrears accumulated in respect of the Municipal accounts of customers prior to their first registration as indigent customers, will be suspended and interest shall not accumulate on such arrears for the period that a customer remains registered as an indigent customer.
- (2) Arrears suspended in terms of Section 11.1 shall become due and payable by the customer by de-registration in terms of the Indigent Policy.

In special individual cases, a report can be submitted to the Mayoral Committee to decide if Section 11.2 should be implemented or not.

CHIEF ALBERT LUTHULI MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY

ADOPTED BY COUNCIL IN 01 July 2007 AND REVIEWED BY COUNCIL ON

29 July 2010

MUNICIPAL SUPPLY CHAIN MANAGEMENT

MODEL POLICY

NOTICE:

**THE ATTACHED POLICY HAS BEEN DRAFTED TO COMPLY WITH THE
SUPPLY CHAIN REGULATIONS PUBLISHED IN GAZETTE 27636 ON 30
MAY 2005.**

Objectives

To provide a policy in which the accounting officer can institute and maintain a supply chain management system that is:

- ❑ transparent, efficient, equitable, competitive, and cost effective for the municipality,
- ❑ applies the highest ethical standards,
- ❑ promotes local economic development.
- ❑ assists in the delivery of quality service to the municipality's customers
- ❑ promotes interest and confidence in the municipality's procurement processes and other related processes

By adopting this policy the council undertakes to observe all applicable national legislation (including amendments and regulations) notably the:

- ❑ Preferential Procurement Policy Framework Act No. 5 of 2000;
- ❑ Broad Based Black Economic Empowerment Act No 53 of 2003
- ❑ Municipal Finance Management Act No. 56 of 2003

This policy is designed to supplement legal prescriptions, and the main provisions are either annexed to this policy or available in the relevant Regulations and Framework.

Model policy for adoption by municipalities and municipal entities in terms of section 111 of the Municipal Finance Management Act, No 56 of 2003.

Instructions:

1. Review this model policy to ensure it meet the needs and requirements of the Municipality, amend where required.
2. Insert the name of Municipality or entity and other variable information where required throughout the policy.
3. The accounting officer is responsible for implementing the policy and must ensure it is promptly prepared and submitted to Council for adoption.

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Date of Adoption: 01 July 2007 Reviewed 29 July 2010

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the municipality.

TABLE OF CONTENTS

1. Definitions

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply chain management policy
3. Amendment of supply chain management policy
4. Delegation of supply chain management powers and duties
5. **Sub-delegations**
6. **Oversight role of council**
7. Supply chain management units
8. Training of supply chain management officials

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of supply chain management system

Part 1: Demand management

10. **System of demand management**

Part 2: Acquisition management

11. System of acquisition management
 12. Range of procurement processes
 13. General preconditions for consideration of written quotations or bids
 14. Lists of accredited prospective providers
 15. Petty cash purchases
 16. Written or verbal quotations
 17. Formal written price quotations
-

18. Procedures for procuring goods or services through written or verbal

Quotations and formal written price quotations

19. Competitive bidding process

20. Process for competitive bidding

21. Bid documentation for competitive bids

22. Public invitation for competitive bids

23. Procedure for handling, opening and recording of bids

24. Negotiations with preferred bidders

25. Two-stage bidding process

26. Committee system for competitive bids

27. Bid specification committees

28. Bid evaluation committees

29. Bid adjudication committees

30. Procurement of banking services

31. Procurement of IT related goods or services

32. Procurement of goods and services under contracts secured by other organs of state

33. Procurement of goods necessitating special safety arrangements

34. Proudly SA Campaign

- 35. Contract Management
 - 36. Appointment of consultants
 - 37. Deviation from, and ratification of minor breaches of, procurement processes
-

- 38. Unsolicited bids
- 39. Combating of abuse of supply chain management system

Part 3: Logistics, Disposal, Risk and Performance Management

- 40. Logistics management
- 41. Disposal management
- 42. Risk management
- 43. Performance management

Part 4: Other matters

- 43. Prohibition on awards to persons whose tax matters are not in order
- 44. Prohibition on awards to persons in the service of the state
- 45. Awards to close family members of persons in the service of the state
- 46. Ethical standards
- 47. Inducements, rewards, gifts and favours
- 48. Sponsorships
- 49. Objections and complaints
- 50. Resolution of disputes, objections, complaints and queries

51. Contracts providing for compensation based on turnover

INDEX FOR ANNEXURES

1. Code of conduct for supply chain management practitioners and other role players

2.

Definitions

1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and;

“Competitive bidding process” means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;

“Competitive bid” means a bid in terms of a competitive bidding process;

“Final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

“Formal written price quotation” means quotations referred to in paragraph 12 (1) (c) of this Policy;

“In the service of the state” means to be –

- (a) A member of –
 - (i) Any municipal council;
 - (ii) Any provincial legislature; or
 - (iii) The National Assembly or the National Council of Provinces;
- (b) A member of the board of directors of any municipal entity;
- (c) An official of any municipality or municipal entity;

- (d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) A member of the accounting authority of any national or provincial public entity; or
- (f) An employee of Parliament or a provincial legislature;

“Long term contract” means a contract with a duration period exceeding one year;

“List of accredited prospective providers” means the list of accredited prospective providers which the **municipality** must keep in terms of paragraph 14 of this policy;

“Other applicable legislation” means any other legislation applicable to municipal supply chain management, including –

- (A) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- (b) The Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (c) The Construction Industry Development Board Act, 2000 (Act No.38 of 2000); and
- (d) Municipal Systems Act, 1999 (Act No. of 1999)

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“The Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“The Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

“Written or verbal quotations” means quotations referred to in paragraph 12(1) (b) of this Policy.

“Designated Supply Chain Management Official” means the Supply Chain Manager.

“Municipality” means Albert Luthuli Municipality or an entity directly linked to the municipality.

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

Supply chain management policy

2. (1) All officials and other role players in the supply chain management system of the **municipality** must implement this Policy in a way that –
 - (a) Gives effect to –
 - (i) Section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (B) is fair, equitable, transparent, competitive and cost effective;
 - (c) Complies with –
 - (i) The Regulations; and
 - (ii) Any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - (D) is consistent with other applicable legislation;
 - (e) Does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (F) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) This Policy applies when the **municipality**

- (A) Procures goods or services;
- (b) Disposes goods no longer needed;
- (c) Selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- (d) Selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –

- (a) Water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
- (b) Electricity from Eskom or another public entity, another municipality or a municipal entity.
- (c) Goods and services in respect of servicing of fleet at he dealership. E.g. Toyota,Nissan,Audi, BMW etc

Amendment of the supply chain management policy

3. (1) The accounting officer must –
- (A) at least annually review the implementation of this Policy; and
 - (b) When the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the **Council**

- (2) If the accounting officer submits proposals -
- Amendments to the **Council** that differs from the model policy issued by the National Treasury, the accounting officer must –
- (A) ensure that such proposed amendments comply with the Regulations; and
 - (b) Report any deviation from the model Policy to the National Treasury and the relevant provincial treasury.

(3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

Delegation of supply chain management powers and duties

4. (1) The **Council** hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
- (a) To discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) This Policy;
 - (B) to maximise administrative and operational efficiency in the implementation of this Policy;
 - (C) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) To comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).
- (3) The accounting officer may not sub delegate any supply chain management powers or duties to a person who is not an official of **the municipality** or to a committee which is not exclusively composed of officials of the **municipality**;
- (4) **This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.**

Sub delegations

5. (1) The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.
- (2) The power to make a final award –
- (a) Above R10 million (VAT included) may not be sub-delegated by the accounting officer;
- (b) Above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated but only to –
- (i) The chief financial officer;
- (ii) A senior manager; or
- (iii) A bid adjudication committee of which the chief financial officer or a senior manager is a member; or
- (c) Not exceeding R 2 million (VAT included) may be sub-delegated but only
- To –
- (i) The chief financial officer;
- (ii) A senior manager;
- (iii) A manager directly accountable to the chief financial officer or a senior manager; or
- (iv) A bid adjudication committee.

(3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–

- (a) the amount of the award;**
- (b) the name of the person to whom the award was made; and**
- (c) the reason why the award was made to that person.**

(4) A written report referred to in subparagraph (3) must be submitted –

- (a) to the accounting officer, in the case of an award by –**
 - (i) the chief financial officer;**
 - (ii) a senior manager; or**
 - (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or**
- (b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –**
 - (i) a manager referred to in subparagraph (2) (c) (iii); or**
 - (ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.**

(5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.

(6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

- (7) **No supply chain management decision-making powers may be delegated to an advisor or consultant.**

Oversight role of council

6. (1) **The council reserves its right to maintain oversight over the implementation of this Policy.**

- (2) **For the purposes of such oversight the accounting officer must –**

- | | | |
|-----|-----|--|
| (a) | (i) | within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and |
|-----|-----|--|

- (ii) **whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council.**

- (3) **The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Executive Mayor.**

- (4) **The reports must be made public in accordance with section 21A of the Municipal Systems Act.**

Supply chain management unit

7. (1) **A supply chain management unit is hereby established to implement this Policy.**

(2) The supply chain management unit operates under the direct supervision of the chief financial officer through the supply chain manager to whom this duty has been delegated in terms of section 82 of the Act.

Training of supply chain management officials

8. The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

Format of supply chain management system

9. This Policy provides systems for –
- (i) demand management;
 - (ii) acquisition management;
 - (iii) logistics management;
 - (iv) disposal management;
 - (v) risk management; and
 - (vi) performance management.

Part 1: Demand management

System of demand management

10. (1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by **the municipality** support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- (2) The demand management system must –

- (a) include timely planning and management processes to ensure that all goods and services required by **the municipality** are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
- (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
- (c) provide for the compilation of the required specifications to ensure that its needs are met.
- (d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

Part 2: Acquisition management

System of acquisition management

- 11.** (1) the accounting officer must implement the system of acquisition management set out in this Part in order to ensure –
- (a) That goods and services are procured by **the municipality** in accordance with authorised processes only;
 - (b) That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
 - (c) That the threshold values for the different procurement processes are complied with;
 - (d) That bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation;
- And
- (e) That any Treasury guidelines on acquisition management are properly taken into account.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the **municipality's** supply chain management system, including –
- (a) The kind of goods or services; and

- (b) The name of the supplier.

Range of procurement processes

12. The procurement of goods and services through this policy is provided by way of –

- (a) Petty cash purchases must be incurred up to a value of R500 (VAT included),
 - (b) Verbal quotations up to value of R2000,
 - (c) Three written quotations for procurements of a transaction value over R2000 up to R10 000 (VAT included);
 - (d) Formal Written price quotations for procurements of a transaction value over R10 000 up to 500 000 (VAT included); and
 - (e) a competitive bidding process for–
 - (i) procurements above a transaction value of R500 000 (VAT included); and
 - (ii) the procurement of long term contracts.
- (1) 500 000 500 000
- (2) The accounting officer may, in writing–

(a) lower, but not increase, the different threshold values specified in subparagraph (1); or

(b) Direct that –

(i) Written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000;

(ii) Three formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000; or

(iii) A competitive bidding process be followed for any specific procurement of a transaction value lower than R500 000.

(3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

General preconditions for consideration of written quotations or bids

13. A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

(a) Has furnished that provider's –

- (i) Full name;
- (ii) Identification number or company or other registration number; and
- (iii) Tax reference number and VAT registration number, if any;
- (iv) Proof of payment of municipal rates;
- (v) Proof of residential address;
- (vi) Bidders who are in arrears of Municipal Accounts must also be considered on condition that after appointment the service provider should authorise the municipality to deduct the outstanding amounts from their payment or as per arrangement

(b) Has authorised the **municipality** to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and

- (c) Has indicated –
- (i) Whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - (iii) Whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.
- (d) The submitted quotation or bid must be properly signed and must at least be valid for the period of 0 to 90 days; otherwise such bid shall amount to disqualification.

Lists of accredited prospective providers

14. (1) The accounting officer must –

-
- (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
 - (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
-
- (C) specify the listing criteria for accredited prospective providers; and
-
- (d) Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

- (e) Disallow the listing of any prospective provider who previously defaulted with contract with the provision of goods or services in the municipality for the past 5 years; irrespective of the value of the contract or service.
-

- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

- (3) The list must be compiled per commodity and per type of service.

- (2) There shall be three (3) categories of the prospective suppliers;

- (a) Professional service providers; that must at least pay an amount of R 200.00 to be listed in the system upon completing a supplier database form;

- (b) Non-emerging service providers; that must at least pay an amount of R 200.00 to be listed in the system upon completing a supplier database form;

- (c) Emerging service providers; that must at least pay an amount of R 0.00 (free) to be listed in the system upon completing a supplier database form;

- (3) The supplier database shall only be kept and managed by the supply chain management section, and shall be used on rotational bases to give contractors equal opportunity.
-

Petty cash purchases (0 - R500)

(Please note that this portion is not applicable to salary and wage pay outs made from petty cash through the Salary office)

15. The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows –
-

- The Chief financial officer to authorize all petty cash purchases, up to a maximum of R 500 per month;
 - (b) The following expenditure may only be incurred from petty cash in cases of urgency:
 - * Any item that is a Stores stock item.
 - (c) A monthly reconciliation report from each Directorate must be provided to the chief financial officer, including -
 - (i) the total amount of petty cash purchases for that month; and
-

- Verbal or written quotations (0 to R 2 000)

The conditions for the procurement of goods or services through written or verbal quotations, are as follows:

a verbal quotation must be obtained from at least one service provider for the procurement of goods and services of a transaction value lower than

R 2 000;

- (b) if a quotation was submitted verbally, the order may be placed only against written confirmation by the

selected provider:

(c)

(b)

(c) A monthly reconciliation report from each directorare must be provided to the chief financial officer, including –

(i) The total amount of petty cash purchases for that month; and

(ii) Receipts and appropriate documents for each purchase.

Written quotations

16. The conditions for the procurement of goods or services through written or verbal quotations, are as follows:

- (a) Quotations must be obtained from at least **three** different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the **municipality** provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
 - (b) To the extent feasible, providers must be requested to submit such quotations in writing;
 - (c) If it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;
 - (d) The accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
-

- (e) If a quotation was submitted [verbally], the order may be placed only against written confirmation by the selected provider.
- (f) this procedure is applicable to quotations which are less than R30 000.00.

Formal written price quotations

17. (1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:

- (a) Quotations must be obtained in writing from at least **three** different providers whose names appear on the list of accredited prospective providers of the **municipality**;
-

- (b) Quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
- (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and
- (d) The accounting officer must record the names of the potential providers and their written quotations.

(2) A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

Procedures for procuring goods or services through written or verbal

Quotations and formal written price quotations

18. The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, is as follows:
- (a) When using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
 - (b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, except in a case where clause 18 (a) is utilized, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the **municipality**;
 - (c) Offers received must be evaluated on a comparative basis taking into account unconditional discounts;
 - (d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;
-
- (e) Offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
 - (e) Acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;
 - (f) Minutes of evaluation of quotations and the criteria used to evaluate the quotations must be properly recorded and signed by the Evaluator of such quotations duly appointed by the Accounting Officer, the Supply Chain Manager and The Chief Financial Officer;
 - (g) Any bid or quotation between R 0 to R 500,000.00 *may* be evaluated only by the supply chain management section, wherein recommendations must be made by the end-user department, the chief financial officer and *must* be approved by the accounting officer.

Competitive bids

- 19.** (1) Goods or services above a transaction value of R500 000 500 000 (VAT included) and long term contracts may only be procured through a competitive

Bidding process, subject to paragraph 11(2) of this Policy.

-
- (2) No procurement of goods or services above an estimated transaction value of R500 000 500 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
-

Process for competitive bidding

- 20.** The procedures for the following stages of a competitive bidding process are as follows:
- (a) Compilation of bidding documentation as detailed in paragraph 21;
 - (b) Public invitation of bids as detailed in paragraph 22;
 - (c) Site meetings or briefing sessions as detailed in paragraph 22;
 - (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;

- (e) Evaluation of bids as detailed in paragraph 28;
- (f) Award of contracts as detailed in paragraph 29;
- (g) Administration of contracts
 - (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
- (h) Proper record keeping
 - (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

Bid documentation for competitive bids

21. The criteria to which bid documentation for a competitive bidding process must comply, must –

- (a) Take into account –
 - (i) The general conditions of contract and any special conditions of contract, if specified;
 - (ii) Any Treasury guidelines on bid documentation; and
 - (iii) The requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
- (b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (c) Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) If the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–
 - (i) If the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
 - (AA) for the past three years; or
 - (BB) since their establishment if established during the past three years;

- (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
- (iii) Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
- (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- (e) Stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

Public invitation for competitive bids

22. (1) The procedure for the invitation of competitive bids, is as follows:

- (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the **municipality** or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
- (b) The information contained in a public advertisement, must include –

- (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;

-
- (ii) A statement that bids may only be submitted on the bid documentation provided by the **municipality** ;and
 - (iii) Date, time and venue of any proposed site meetings or briefing sessions.;

(2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

(3) Bids submitted must be sealed.

(4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

Procedure for handling, opening and recording of bids

23. The procedures for the handling, opening and recording of bids, are as follows:

(a) Bids—

(i) Must be opened only in public;

(ii) Must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and

(iii) Received after the closing time should not be considered and returned unopened immediately.

(b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

(c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

(d) The accounting officer must —

(I) record in a register all bids received in time;

(ii) Make the register available for public inspection; and

(iii) Publish the entries in the register and the bid results on the website.

Negotiations with preferred bidders

24. (1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
- (a) Does not allow any preferred bidder a second or unfair opportunity;
 - (B) is not to the detriment of any other bidder; and
 - (c) Does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

Two-stage bidding process

25. (1) a two-stage bidding process is allowed for –
- (a) Large complex projects;
 - (b) Projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) Long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

Committee system for competitive bids

26. (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:

- (a) A bid specification committee;
- (b) A bid evaluation committee; and
- (c) A bid adjudication committee;

(2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and

(3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

(4) The committee system must be consistent with –

- (a) **Paragraph 27, 28 and 29 of this Policy; and**
 - (b) Any other applicable legislation.
-

- (5) The accounting officer may apply the committee system to formal written price quotations.

Bid specification committees

27. (1) **A bid specification committee must compile the specifications for each procurement of goods or services by the municipality.**
- (2) **Specifications –**
- (a) **Must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;**
 - (b) **must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;**
 - (c) **Must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;**
 - (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;
 - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001; and
 - (g) Must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.

(3) A bid specification committee must be composed of one or more officials of the municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.

(4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

Bid evaluation committees

28. (1) A bid evaluation committee must –

(a) Evaluate bids in accordance with –

(i) the specifications for a specific procurement; and

(ii) The points system set out in terms of paragraph 27(2)(f).

(b) Evaluate each bidder's ability to execute the contract;

(c) Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;

(d) Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

(2) A bid evaluation committee must as far as possible be composed of-

(a) Officials from departments requiring the goods or services; and

(b) At least one supply chain management practitioner of the municipality.

Bid adjudication committees

29. (1) A bid adjudication committee must –
- (a) Consider the report and recommendations of the bid evaluation committee; and
 - (b) Either –
 - (i) Depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
 - (ii) Make another recommendation to the accounting officer how to proceed with the relevant procurement.
- (2) A bid adjudication committee must consist of at least four senior Managers of the municipality which must include –
- (a) The chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
 - (b) At least one senior supply chain management practitioner who is an official of the municipality; and
 - (c) A technical expert in the relevant field who is an official, if such an expert exists.
- (3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- (5) (A) if the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –

- (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
 - (ii) Notify the accounting officer.
- (b) The accounting officer may –
 - (i) After due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and
 - (ii) If the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- (6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (8) The accounting officer must comply with section 114 of the Act within 10 working day
- (9) The bid evaluation or adjudication committee may –
After consulting with the accounting officer, appoint an interim or a liquid chairperson in an event whereby the chairperson appointed by the accounting officer is absent.

Procurement of banking services

30. (1) A contract for banking services –
- (a) Must be procured through competitive bids;

- (b) **Must be consistent with section 7 or 85 of the Act; and**
- (c) **May not be for a period of more than five years at a time.**

(2) **The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.**

(3) **The closure date for the submission of bids may not be less than 60**

Days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

Procurement of IT related goods or services

31. (1) the accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The accounting officer must notify SITA together with a motivation of the IT needs if –
- (A) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - (b) The transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

(4) If SITA comments on the submission and the **municipality** disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

Procurement of goods and services under contracts secured by other organs of state

32. (1) the accounting officer may procure goods or services under a contract secured by another organ of state, but only if –

- (a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
- (b) There is no reason to believe that such contract was not validly procured;
- (c) There are demonstrable discounts or benefits to do so; and
- (d) That other organ of state and the provider have consented to such procurement in writing.

Procurement of goods necessitating special safety arrangements

33. (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

(2) **Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.**

Proudly SA Campaign & EPWP Initiative

34. (1) **The municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:**

- Firstly – suppliers and businesses within the municipality or district to cater for 80 % local economic advancement and 20 % of services be procured externally;
 - **Of the 80% of local advancement, 30% work shall be for the benefit of the local Youth and 20% shall be for the benefit of the local Women.**
 - Secondly – suppliers and businesses within the relevant province;
 - Thirdly – suppliers and businesses within the Republic.
 - The Municipal Manager must identify projects that on the basis of their specifications cannot be implemented by local service providers due to lack of capacity.
 - The Municipality may appoint a service provider outside its locality and that the main service provider must subcontract or enter into a joint venture agreement through contract management with a local service provider who has the potential to perform with a view of building local capacity and that a report must be tabled to Council together with project progress report.
 - At the first meeting of the project steering committee (PSC) convened by the chairperson, the ward councilor, the implementation of skills transfer and social responsibility programmes of the service provider must be agreed upon,
 - The Municipal Manager must report to council on all tenders awarded on a quarterly basis.
- (2) This section also applies to general construction contracts / tenders by local bidders.
- (3) The Municipality supports the EPWP initiative

35 Contract management

A contract or agreement procured through the supply chain management system must be in writing, and must stipulate the terms and conditions of the contract or agreement, which must include provisions which allow for:

- the termination of the contract or agreement in the case of non or under performance;
- dispute resolution mechanisms to settle disputes between the parties; and

- a periodic review of the contract or agreement once every 3 years in the case of a contract or agreement for longer than 3 years.

The accounting officer must:

- take all reasonable steps to ensure that a contract or agreement procured through the supply chain management supply is properly enforced;
- monitor on a monthly basis the performance of the contractor under the contract or agreement;
- establish capacity in the administration to assist the accounting officer in carrying out the foregoing responsibilities. and in overseeing the day-to-day management of contractors and agreements; and
- regularly report to the council as the use may be, on the management of the contract or agreement and the performance of the contractor.

A contract or agreement procured through the supply chain management policy may be amended by the parties, but only after:

- the reasons for the proposed amendment have been tabled in the council of the municipality, or, in the case of the municipal entity, in the council of its parent municipality; and

Appointment of consultants

- 36.** (1) the accounting officer may procure consulting services provided that any Treasury, ECSA & DWAF guidelines in respect of consulting services are taken into account when such procurements are made.
- (2) **Consultancy services must be procured through competitive bids if**
- (a) **The value of the contract exceeds R500 000500 000 (VAT included); or**
 - (b) **The duration period of the contract exceeds one year.**

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

- (A) all consultancy services provided to an organ of state in the last five years; and
- (b) Any similar consultancy services provided to an organ of state in the last five years.

(4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

Deviation from, and ratification of minor breaches of, procurement processes

37. (1) The accounting officer may –

- (a) Dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) In an emergency;
 - (ii) If such goods or services are produced or available from a single provider only;
 - (iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (vi) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- (b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
- (c) deviations are allowed to a maximum of 15% and if it is more than that it must be approved by the Council.

Unsolicited bids

37. (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

- (2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - (c) the person who made the bid is the sole provider of the product or service; and
 - (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.
- (3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
- (a) reasons as to why the bid should not be open to other competitors;
 - (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
 - (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- (7) When considering the matter, the adjudication committee must take into account –
- (a) any comments submitted by the public; and
 - (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.

(8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the **municipality** to the bid may be entered into or signed within 30 days of the submission.

Combating of abuse of supply chain management system

38. (1) The accounting officer must–

- (a) Take all reasonable steps to prevent abuse of the supply chain management system;
- (b) Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) Take appropriate steps against such official or other role player; or
 - (ii) Report any alleged criminal conduct to the South African Police Service;
- (c) Check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- (d) Reject any bid from a bidder–
 - (i) **if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or**(ii) **Who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;**

- (e) Reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - (f) Cancel a contract awarded to a person if –
 - (i) The person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) An official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
 - (g) Reject the bid of any bidder if that bidder or any of its directors –
 - (i) Has abused the supply chain management system of the **municipality** or has committed any improper conduct in relation to such system;
 - (ii) Has been convicted for fraud or corruption during the past five years;
 - (iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) Has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

Logistics management

39. **The accounting officer must establish and implement an effective system of logistics management, which must include -**
- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;**
 - (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;**
 - (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;**
 - (d) before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;**
 - (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;**
 - (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and**
 - (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.**

Disposal management

- 40. (1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, are as follows: By way of Auction**
- (2) Assets may be disposed of by –**
- (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;**
 - (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;**

- (iii) selling the asset and through auctioning; or
- (iv) destroying the asset.

(3) The accounting officer must ensure that –

- (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
- (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- (f) **where assets are traded in for other assets, the highest possible trade-in price is negotiated; and**
- (g) **in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.**

DISPOSAL OF CAPITAL ASSETS

- 1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

- 2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection 1), but only after the municipal council, in meeting open to the public-
 - a) Has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal service; and
 - b) Has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.
- 3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.
- 4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection 2) a) and b) in respect of moveable capital assets below a value determined by the council.
- 5) Any transfer of ownership of a capital asset in terms of subsection 2) or 4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.

Risk management

- 41.** (1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, are as follows:
- (a) By appointing a qualified risk assessor on contract basis or as a consultant or permanently if possible;
- (2) Risk management must include –
- (a) the identification of risks on a case-by-case basis;
 - (b) the allocation of risks to the party best suited to manage such risks;

- (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
- (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

Performance management

42. The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

Part 4: Other matters

Prohibition on awards to persons whose tax matters are not in order

- 43.**
- (1) No award above R15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.**
 - (2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.**

(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be out of order. It is therefore a responsibility of the prospective bidder to ensure that such tax matters are in order and shall remain his/her responsibility to provide supporting documentation required by the municipality.

Prohibition on awards to persons in the service of the state

44. Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

- (a) who is in the service of the state;
- (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) a person who is an advisor or consultant contracted with the **municipality**.

Awards to close family members of persons in the service of the state

45. The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.

Ethical standards

46. (1) A code of ethical standards as set out in the “*National Treasury’s code of conduct for supply chain management practitioners and other role players involved in supply chain management*” is hereby established for officials and other role players in the supply chain management system of the **municipality** in order to promote –

- (a) mutual trust and respect; and
- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) A breach of the code of ethics must be dealt with as follows -

- (a) in the case of an employee, in terms of the disciplinary procedures of the **municipality** envisaged in section 67(1)(h) of the Municipal Systems Act;
- (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
- (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

Inducements, rewards, gifts and favours to municipalities, officials and other role players

47. (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

- (a) any inducement or reward to the **municipality** for or in connection with the award of a contract; or
- (b) any reward, gift, favour or hospitality to –
 - (i) any official; or
 - (ii) any other role player involved in the implementation of this Policy.

(2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury’s database of persons prohibited from doing business with the public sector.

- (3) Subparagraph (1) does not apply to gifts less than R100 in value.

Sponsorships

48. The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- (a) a provider or prospective provider of goods or services; or
- (b) a recipient or prospective recipient of goods disposed or to be disposed.

Objections and complaints

49. Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

Resolution of disputes, objections, complaints and queries

50. (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –

- (a) to assist in the resolution of disputes between the **municipality** and other persons regarding -
 - (i) any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
- (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

(2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed must –

- (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
- (b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

(4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –

- (a) the dispute, objection, complaint or query is not resolved within 60 days; or
- (b) no response is forthcoming within 60 days.

(5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

(6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

Contracts providing for compensation based on turnover

51. **If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate –**

- (a) **a cap on the compensation payable to the service provider; and**

- (10) that such compensation must be performance based.**

Bidders Commitments

52. All prospective bidders of the municipality must -

- (a) Declare abide to the mission & vision of the municipality and must assist the municipality to realize and meets its objectives;**
- (b) After an award of any contract more than R 200,000.00 the service provider must commit itself to a 1% per cent social responsibility program; but the accounting officer must ensure compliance with clause 48 of this policy.**
- (c) Ensure and promote good relationship with all structures established in terms of the municipal processes and the Municipal Systems & Municipal Structures Act.**
- (d) Promote the employment of local people reimburse their services taking into consideration the minimum standards set by the Department of Labour through the Sectoral Determination Act.**
- (e) Bid Committees must sit and appoint service providers within 14 days after the tender has closed.**

Checking the List of Restricted Suppliers

53. The Municipal Manager must verify the status of the recommended bidder with the National Treasury prior to awarding a contract.

- (a) A response will be provided generally within one (1) working confirming whether the name provided has been listed as a person or company prohibited from doing business with the public sector.**
 - (i) the above request shall be forwarded by e-mail to restrictions@treasury.gov.za.**
 - (ii) Under no circumstances shall a contract be awarded to a service provider whose name appears on the treasury defaulters register.**

Register for the Tender Defaulters

54. The Municipal Manager must keep a register of service providers that have defaulted with the Municipality in the past stating reasons for defaulting in terms of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004.

(a) The Municipal Manager must reject any bid if that bidder or any of its directors has been listed in the *Register for Tender Defaulters* of treasury.

(b) This register determine the period (which may not be less than five years or more than 10 years) for which the convicted persons or enterprises must be prohibited from doing business with the public sector.

(i) If the period determined by the register has elapsed, the convicted company or person would be prohibited from doing business with the public sector.

Commencement

i. This Policy took effect on 01 July 2007 and reviewed in 2008; 2009; 2010.

ANNEXURE 1

Code of Conduct for Supply Chain Management Practitioners and other Role Players

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in fair and reasonable manner.

1.1 The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials

and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.

- 1.2 Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies, and guidelines. They should ensure that public resources are administered responsibly.
- 1.4 Officials and other role players involved in SCM, should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

2. Conflict of interest

2.1 An official or other role player involved with supply chain management –

- (a) must treat all providers and potential providers equitably;
- (b) may not use his or her position for private gain or to improperly benefit another person;
- (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- (d) must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

- (e) must declare to the accounting officer details of any private business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any reward of a contract by the municipality;
- (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- (g) must declare any business, commercial and financial interest or activities undertaken for financial gain that may raise a possible conflict of interest;
- (h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- (i) should not take improper advantage of their previous office after leaving their official position.

3. Accountability

- 3.1 Practitioners are accountable for their decisions and actions to the public.
- 3.2 Practitioners should use public property scrupulously.
- 3.3 Only accounting officers, or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.
- 3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

- 3.5 Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.
- 3.6 Practitioners must report to the officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including
- (i) any alleged fraud, corruption, favouritism or unfair conduct;
 - (ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities, officials or other role players;
 - (iii) any alleged breach of this code of conduct.
- 3.7 Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

4. Openness

- 4.1 Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5. Confidentiality

- 5.1 Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid / contract / contractor must be revealed if such an action will infringe on the relevant bidder's / contractors personal rights.
- 5.2 Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

6. Bid Specification / Evaluation / Adjudication Committees

- 6.1 Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- 6.2 Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.
- 6.3 All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.
- 6.4 No person should –
 - 6.4.1 interfere with the supply chain management system of the municipality; or

6.4.2 amend or tamper with any price quotation / bid after its submission.

7. Combative Practices

7.1 Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

- (i) Suggestions to fictitious quotations;
- (ii) Reference to non-existent competition;
- (iii) Exploiting errors in price quotations / bids;
- (iv) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register of Tender Defaulters.

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Budget Policy

Date approved : 6 April 2010

Operation date: 1 July 2010

1. INTRODUCTION

Section 16 of the Municipal Finance Management Act, requires a municipality to approve an annual budget for the Municipality before the commencement of each Financial Year.

This Policy has been developed in line with this legislative background.

The Budget plays a critical role in an attempt to realize diverse community needs.

Central to this, the formulation of a Municipality Budget must take into account the national government's macro-economic, fiscal policies within its policy framework.

2. DEFINITIONS

“allocation”, means –

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or

(d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

“Annual Division of Revenue Act” means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

“approved budget,” means an annual budget –

(a) approved by a municipal council, and

(b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

“basic municipal service” means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

“budget-related policy” means a policy of a municipality affecting or affected by the annual budget of the municipality, including –

- Tariffs Policy
- Rates Policy
- Credit Control and Debt Collection Policy
- Cash Management and Investment Policy
- Borrowing Policy
- Funding and Reserves Policy
- Supply Chain Management Policy
- Indigents Policy

as well as

- Indigents Policy
- policy(ies) related to Long-term Financial Planning
- policy(ies) dealing with the management and disposal of assets
- policy(ies) dealing with infrastructure investment and capital projects
- policy(ies) related to the provision of free basic services
- policy(ies) related to budget implementation and monitoring
- policy(ies) related to managing electricity and water
- policy(ies) relating to personnel
- policy(ies) dealing with municipal entities

“budget transfer” means transfer of funding within a function / vote;

“budget year” means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

“Chief Financial Officer” means a person designated in terms of section 80(2) (a) of the MFMA;

“councillor” means a member of a municipal council;

“creditor”, means a person to whom money is owed by the municipality;

“current year” means the financial year, which has already commenced, but not yet ended;

“delegation”, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

“financial recovery plan” means a plan prepared in terms of section 141 of the MFMA;

“financial statements”, means statements consisting of at least –

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

“financial year” means a twelve months period commencing on 1 July and ending on 30 June each year;

“fruitless and wasteful expenditure” means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

“irregular expenditure”, means –

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;

- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of “unauthorised expenditure”;

“investment”, in relation to funds of a municipality, means –

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

“local community” has the meaning assigned to it in section 1 of the Municipal Systems Act;

“Executive Mayor” means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

“municipal council” or **“Council”** means the council of a municipality referred to in section 18 of the Municipal Structures Act;

“municipal entity” has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

“Municipal Finance Management Act” means the Local Government: Municipal Structures Act, 2004 (Act No. 56 of 2004);

“Municipal Manager” means the Accounting Officer as appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

“Municipal Structures Act” means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

“municipality” –

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or

(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

“municipal service” has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

“municipal tax” means property rates or other taxes, levies or duties that a municipality may impose;

“National Treasury” means the National Treasury established by section 5 of the Public Finance Management Act;

“official”, means –

- (a) an employee of a municipality or municipal entity;
- (b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

“overspending” –

- (a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

“past financial year” means the financial year preceding the current year;

“quarter” means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or

(d) 1 April to 30 June;

“service delivery and budget implementation plan” means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate

(a) projections for each month of –

(i) revenue to be collected, by source; and

(ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter; and

(c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

“unauthorised expenditure”, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes –

(a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of “allocation” otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with the MFMA;

“virement” means transfer of funds between functions / votes; and

“vote” means –

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; or
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. ABBREVIATIONS USED

CPIX = Consumer Price Index excluding interest rates on mortgage bonds

CDF = Capital Development Fund

IDP = Integrated Development Plan

MFMA = Municipal Management Finance Act

MIG = Municipal Infrastructure Grant

MSIG = Municipal Systems Improvement Grant

MTREF = Medium-Term Revenue and Expenditure Framework

SDBIP = Delivery and Budget Implementation Plan

4. OBJECTIVE

The objective of the budget policy is to set out –

- 4.1. The principles which the Municipality will follow in preparing each Medium Term Revenue and Expenditure Framework budget.
- 4.2. The responsibilities of the Executive Mayor, the Accounting Officer, the Chief Financial Officer and other Senior Managers in compiling the Budget.
- 4.3. To establish and maintain procedures to ensure adherence to the Municipality's IDP Review and Budget Process.
- 4.4. To ensure that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.
- 4.5. The policy shall apply to all the relevant parties within the Municipality that are involved throughout the budget process.

5. BUDGETING PRINCIPLES

- 5.1. The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.
- 5.2. The Municipality shall prepare three-year Budget (medium term revenue and expenditure framework) which shall be reviewed annually and approved by the Council.
- 5.3. The MTREF Budget must at all times be within the framework of the Municipal Integrated Development Plan, and the Budget and IDP review process should run concurrently.
- 5.4. Expenses may only be incurred in terms of the approved Annual Budget (or Adjustment Budget) and within the limits of the amounts appropriated for each vote in the approved Budget.
- 5.5. The Annual Budget will only be funded from realistic anticipated revenues to be collected, cash-backed accumulated funds not committed for other purposes and borrowed funds.

6. BUDGET PREPARATION PROCESS

6.1. Formulation of the budget

- 6.1.1. The Accounting Officer with the assistance of the Chief Financial Officer and the Director of the Department of Planning and Economic Development shall draft the IDP process plan as well as the budget timetable for the municipality including municipal entities for the ensuing financial year.
- 6.1.2. The Executive Mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year). The budget timetable shall contain deadlines for –
 - 6.1.2.1. a) the annual review of the IDP
 - 6.1.2.2. b) the review of budget related policies
 - 6.1.2.3. c) the preparation, tabling and approval of the annual budget
 - 6.1.2.4. d) the consultative processes forming part of the budget process.
- 6.1.3. IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.
- 6.1.4. The Chief Financial Officer, and after consultation with the Portfolio Councillor of Finance set the reasonable growth level of the operational budget based on the current financial performance and the prevailing industry growth levels (i.e. CPIX). After the income has been determined, an acceptable growth level for the operating expenditure (including salary increases) is estimated.
- 6.1.5. In September of each year, the Chief Financial Officer shall prepare a Budget Strategy which shall contain the principles, objectives and strategies that will apply during the forthcoming budget preparation process. Such Budget Strategy shall take cognisance of the directives, guidelines and economic factors prevailing at the time or circulated by National and Provincial Government. The Budget Strategy shall give general direction to the budget process and also indicate affordable budget growth and envisaged tariff increases as the base line of the budget process

- 6.1.6. Thereafter, the Executive Mayor shall convene a strategic workshop with the mayoral committee and senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality.
- 6.1.7. Before the end of October of each year, the Executive Mayor shall table the Budget Strategy and IDP Priorities together with an outline draft budget to Council.
- 6.1.8. The Chief Financial Officer and senior managers undertake the technical preparation of the budget.
- 6.1.9. 1.2.7 The budget tabled to Council for approval shall include the following supporting documents –
- 6.1.10. The budget must be in the format prescribed by National Treasury and must be divided into a capital and an operating budget.
- 6.1.11. The budget must be balanced and reflect the realistically anticipated revenues by major revenue source for the budget year concerned.
- 6.1.12. The expenses reflected in the budget must be divided into different categories (for operating budget) and different capital projects or services (for capital budget).
- 6.1.13. The budget must also contain the foregoing information for the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the year before the current year, and the estimated revenues and expenses for the current year.
- 6.1.14. The budget shall include the following supporting documents –
- 6.1.14.1. draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
- 6.1.14.2. draft resolutions (where applicable) amending the IDP and the budget-related policies;
- 6.1.14.3. measurable performance objectives for each budget vote, taking into account the municipality's IDP;
- 6.1.14.4. the projected cash flows for the financial year by revenue sources and expenditure votes broken down per month;
- 6.1.14.5. any proposed amendments to the IDP;
- 6.1.14.6. any proposed amendments to the budget-related policies;
- 6.1.14.7. the cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the Municipal Manager, the chief financial officer, and other senior managers employed in terms of Section 57 of the Municipal Systems Act;

- 6.1.14.8. particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as NGOs, welfare institutions etc;
- 6.1.14.9. particulars of the municipality's investments; and
- 6.1.14.10. various information in regard to municipal entities (if any) under the shared or sole control of the municipality.

6.1.15. The Executive Mayor shall table the draft IDP, MTREF budget and supporting documents to Council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies.

6.2. Public participation process

- 6.2.1. Immediately after the annual budget has been tabled, the Municipal Manager must make this budget and other budget-related documentation public, and invite the local community to submit representations in regard to such budget. The public participation process must be a formal process and must ensure adequate consultation as contemplated in the MFMA.
- 6.2.2. After considering all budget submissions, the Council must give the Executive Mayor an opportunity to respond to the submissions; and if necessary, to revise the budget and table amendments for consideration by the Council.

6.3. Approval of the budget

- 6.3.1. Council shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year).
- 6.3.2. The council resolution, must contain budget policies and performance measures be adopted (as per section 17 of the MFMA).
- 6.3.3. Should the municipality fail to approve the budget before the start of the budget year, the Executive Mayor must inform the MEC for Finance that the budget has not been approved.

6.4. Publication of the budget

- 6.4.1. The Municipal Manager must within 14 days after approval of the budget submit the approved budget and supporting documentation in both printed and electronic formats to the National Treasury, the Provincial Treasury, and in either format to prescribed national and provincial organs of state and other municipalities affected by the budget.
- 6.4.2. The Municipal Manager must publish the approved budget on the municipal website.

6.5. Service Delivery and Budget Implementation Plan (SDBIP)

- 6.5.1. The Executive Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.
- 6.5.2. The SDBIP shall include the following components –
 - 6.5.2.1. monthly projections of revenue to be collected for each source;
 - 6.5.2.2. monthly projections of expenditure (operating and capital) and revenue for each vote;
 - 6.5.2.3. quarterly projections of service delivery targets and performance indicators for each vote;
 - 6.5.2.4. ward information for expenditure and service delivery; and
 - 6.5.2.5. detailed capital works plan broken down by ward over three years.

7. CAPITAL BUDGET

7.1. Capital Budget Preparation

- 7.1.1. Expenditure of a project shall be included in the capital budget if it meets the asset definition i.e. if it results in an asset being acquired or created and its value exceeds R10 000 and has a useful life in excess of one year.
- 7.1.2. Vehicle replacement shall be done in terms of Council's vehicle replacement policy. The budget for vehicles shall distinguish between replacement and new vehicles. No globular amounts shall be budgeted for vehicle acquisition.

- 7.1.3. Except in so far as capital projects represent a contractual commitment to the Municipality extending over more than one financial year, the annual capital budget shall be prepared using a zero-based approach.
- 7.1.4. A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- 7.1.5. Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.
- 7.1.6. Excess budget available on capital projects may not be used for purposes other than what the expenditure was initially intended for.

7.2. Capital Budget Funding

- 7.2.1. The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.
- 7.2.2. Before approving a capital project, the Council must consider –
 - 7.2.2.1. the projected cost of the project over all the ensuing financial years until the project becomes operational; and
 - 7.2.2.2. any future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- 7.2.3. Before approving the capital budget, the council shall consider –
 - 7.2.3.1. the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,
 - 7.2.3.2. depreciation of fixed assets,
 - 7.2.3.3. maintenance of fixed assets, and
 - 7.2.3.4. any other ordinary operational expenses associated with any item on such capital budget.
- 7.2.4. The capital expenditure shall be funded from the following sources –

Internal sources

- 7.2.4.1. If any project is to be financed from revenue this financing must be included in the cash budget to raise sufficient cash for the expenditure.
- 7.2.4.2. If the project is to be financed from surplus or from the Capital Development Fund there must be sufficient cash available at time of execution of the project.

External loans

- 7.2.4.3. External loans can be raised only if it is linked to the financing of an asset;
- 7.2.4.4. A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if can be reasonably assumed as being secured;
- 7.2.4.5. The loan redemption period should not exceed the estimated life expectancy of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;
- 7.2.4.6. Interest payable on external loans shall be included as a cost in the revenue budget;
- 7.2.4.7. Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.

External sources

- 7.2.4.8. Grants and subsidies as allocated in the annual Division of Revenue of Act;
 - 7.2.4.9. Grants and subsidies as allocated by Provincial government;
 - 7.2.4.10. Private Contributions;
 - 7.2.4.11. Contributions from the Capital Development Fund (developer's contributions) and,
 - 7.2.4.12. Any other financing source secured by the municipality.
- 7.2.5. Borrowing is only permitted to fund capital investment in property, plant and equipment, but assets deemed essential to the maintenance of public health and safety or that may compromise the ability to deliver certain essential services may not be pledged as security for such borrowings.

7.3. Capital Replacement Reserve

7.3.1. Council may establish a Capital Development Fund as a capital replacement reserve for the purpose of financing capital projects and the acquisition of assets.

7.3.2. The Capital Development Fund may be funded from the following sources of revenue –

- 7.3.2.1. unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
- 7.3.2.2. interest on the investments of the Capital Development Fund, appropriated in terms of the investments policy;
- 7.3.2.3. additional amounts appropriated as contributions in each annual or adjustments budget;
- 7.3.2.4. sale of land and profit or loss on the sale of assets; and
- 7.3.2.5. proceeds from royalties and the exploration of minerals.

7.3.3. Before any asset can be financed from the Capital Development Fund the financing must be available within the reserve and available as cash as this fund must be cash-backed.

7.3.4. If there is insufficient cash available to fund the Capital Development Fund this reserve fund must then be adjusted to equal the available cash.

7.3.5. Transfers to the Capital Development Fund must be budgeted for in the cash budget.

7.4. Grant Funding

7.4.1. Capital expenditure funded by grants must be budgeted for in the capital budget;

7.4.2. Interest earned on investments of Conditional Grant Funding shall be capitalised if the conditions state that interest should accumulate in the fund. If there is no condition stated the interest can then be allocated directly to the revenue accounts.

7.4.3. Grant funding does not need to be cash-backed but cash must be secured before spending can take place.

8. OPERATING BUDGET

- 8.1. The municipality shall budget in each annual and adjustments budget for the contribution to:
 - 8.1.1. provision for accrued leave entitlements equal to 100% of the accrued leave;
 - 8.1.2. entitlement of officials as at 30 June of each financial year;
 - 8.1.3. provision for bad debts in accordance with its rates and tariffs policies;
 - 8.1.4. provision for the obsolescence and deterioration of stock in accordance with its Supply Chain Management Policy;
 - 8.1.5. depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate;
 - 8.1.6. at least 8% of the operating budget component of each annual and adjustments budget shall be set aside for such maintenance;
 - 8.1.7. the budget for salaries, allowances and salaries-related benefits shall not exceed 45% of the aggregate operating budget component of each annual and adjustments budget (for purposes of this item, the remuneration of political office bearers and other councillors shall be excluded from this limit); and
 - 8.1.8. at least 0.15% of the operating budget component of each annual budget shall be set aside for skills development.
- 8.2. When considering the draft annual budget, council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- 8.3. The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
- 8.4. The operating budget shall reflect the impact of the capital component on –
 - 8.4.1. depreciation charges;
 - 8.4.2. repairs and maintenance expenses;
 - 8.4.3. interest payable on external borrowings; and
 - 8.4.4. other operating expenses.
- 8.5. The chief financial officer shall ensure that the cost of indigent relief is separately reflected in the appropriate votes.
- 8.6. Operating expenditure funded from grants must be budgeted for as part of the revenue budget.

- 8.7. A zero-based approach shall be used in preparing the annual operating budget, except in cases where a contractual commitment has been made that would span over more than one financial year, in which case the zero based method will be followed.
- 8.8. The operational budget may be financed only from –
- 8.8.1. realistically expected revenues, based on current and previous collection levels; and
 - 8.8.2. cash-backed funds available from previous surpluses where such funds are not required for other purposes.

9. UNSPENT FUNDS / ROLL-OVER OF BUDGET

- 9.1. The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.
- 9.2. Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year.
- 9.3. Conditions of the grant fund shall be taken into account in applying for such roll over of funds.
- 9.4. Application for roll over of funds shall be forwarded to the budget office by the 15th of April each year for inclusion in following year's budget for adoption by Council in May of that year.
- 9.5. Adjustments to the rolled over budget shall be done during the 1st budget adjustment in the new financial year after taking into account expenditure up to the end of the previous financial year.
- 9.6. No funding for projects funded from the Capital Development Fund shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.
- 9.7. No unspent operating budget shall be rolled over to the next budget year.

10. BUDGET TRANSFERS AND VIREMENTS

- 10.1. No budget transfers or virement shall be made to or from salaries except with the prior approval of the Chief Financial Officer in consultation with the Director Corporate Services.
- 10.2. The budget for personnel expenditure may not be increased without prior approval of the Chief Financial Officer.
- 10.3. Savings on allocations earmarked for specific operating and capital projects may not be used for other purposes except with the approval of council.
- 10.4. The amount of a saving under a main expenditure category of a vote that may be transferred to another main expenditure category may not exceed ten per cent of the amount appropriated under that main expenditure category.
- 10.5. Savings in an amount appropriated for capital expenditure may not be used to defray operational expenditure, except in the cases of grants whose conditions permit such a transfer.
- 10.6. Budget transfers or virements with respect to capital projects may only be undertaken in accordance with section 31 of the MFMA.
- 10.7. Directors may utilize a saving in the amount appropriated under a main expenditure category (e.g. Salaries, General Expenses, Repairs & Maintenance, etc.) within a vote which is under their control towards the defrayment of excess expenditure under another main expenditure category within the same vote, after obtaining approval of the Chief Financial Officer or such senior delegated official in the Budget & Treasury Department.
- 10.8. Budget transfers within the same vote shall be recommended by the Director responsible for that vote and approved by the Chief Financial Officer or such other senior delegated official in the Department of Finance.

- 10.9. The Municipal Manager must report to the Executive Mayor on a monthly basis on all virements that have been approved during the preceding month, and to the Executive Mayoral Committee on all virements of funds between votes (directorates) that have been approved during the preceding month.
- 10.10. Virements between votes shall be included in the adjustment budget.
- 10.11. In the case of emergency or any other exceptional circumstances virements shall be submitted by the Municipal Manager to the Executive Mayor to authorize any possible unforeseeable or unavoidable expenditure for which no provision was made in an approved budget.
- 10.12. The Executive Mayor must report such expenditure to the Council at its next meeting which should not be departed more than 60 (sixty) days from approval of expenditure.

11. ADJUSTMENTS BUDGET

- 11.1. Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.
- 11.2. The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the Executive Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the Executive Mayor on the revision of the IDP and the budget-related policies where these are indicated.
- 11.3. Council may revise its annual budget by means of an adjustments budget at most three times a year or a regulated.
- 11.4. The Municipal Manager must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.

- 11.5. The Municipal Manager shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council.
- 11.6. The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.
- 11.7. The Council should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.
- 11.8. Only the Executive Mayor shall table an adjustments budget.
- 11.9. Adjustments budget shall be tabled at most three times a year after the end of each quarter and be submitted to Council in the following months –
 - 11.9.1. In October – to adjust funding rolled over from the previous financial year as well as to include additional funding that has become available from external sources;
 - 11.9.2. In February – to take into account recommendations from the mid-year budget and performance report tabled to Council in January that affect the annual budget;
 - 11.9.3. In May – to adjust current year's budget in cases where there is a indication that there will be rolling over of funding to the next financial year.

OR

- 11.10. Adjustment Budgets shall be done once per year and only during December of each year and be submitted to Council before 25 January of each year.
- 11.11. An adjustments budget must contain all of the following –
 - 11.11.1. an explanation of how the adjustments affect the approved annual budget;
 - 11.11.2. appropriate motivations for material adjustments; and
 - 11.11.3. an explanation of the impact of any increased spending on the current and future annual budgets.

- 11.12. Any unappropriated surplus from previous financial years, even if fully cash-backed, shall not be used to balance any adjustments budget, but shall be appropriated to the municipality's Capital Development Fund .
- 11.13. Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
- 11.14. Unauthorised expenses may be authorised in an adjustments budget.
- 11.15. In regard to unforeseen and unavoidable expenditure, the following apply –
- 11.15.1. the Executive Mayor may authorise such expenses in an emergency or other exceptional circumstances;
 - 11.15.2. the municipality may not exceed 3 % of the approved annual budget in respect of such unforeseen and unavoidable expenses;
 - 11.15.3. these expenses must be reported by the Executive Mayor to the next Council meeting;
 - 11.15.4. the expenses must be appropriated in an adjustments budget; and
 - 11.15.5. Council must pass the adjustments budget within sixty days after the expenses were incurred.

12. BUDGET IMPLEMENTATION

12.1. Monitoring

- 12.1.1. The Municipal Manager with the assistance of the chief financial officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that –
- 12.1.1.1. funds are spent in accordance with the budget;
 - 12.1.1.2. expenses are reduced if expected revenues are less than projected; and
 - 12.1.1.3. revenues and expenses are properly monitored.
- 12.1.2. The Municipal Manager with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Executive Mayor for consideration and tabling to Council.
- 12.1.3. The Municipal Manager must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

12.2. Reporting

Monthly budget statements

12.2.1. The Municipal Manager with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Executive Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following –

- 12.2.1.1. actual revenues per source, compared with budgeted revenues;
- 12.2.1.2. actual expenses per vote, compared with budgeted expenses;
- 12.2.1.3. actual capital expenditure per vote, compared with budgeted expenses;
- 12.2.1.4. actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- 12.2.1.5. the amount of allocations received, compared with the budgeted amount;
- 12.2.1.6. actual expenses against allocations, but excluding expenses in respect of the equitable share;
- 12.2.1.7. explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
- 12.2.1.8. the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
- 12.2.1.9. projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

12.2.2. The report to the National Treasury must be both in electronic format and in a signed written document.

Quarterly Reports

12.2.3. The Executive Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

Mid-year budget and performance assessment

- 12.2.4. The Municipal Manager must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
- 12.2.5. The Municipal Manager must then submit a report on such assessment to the Executive Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.
- 12.2.6. The Municipal Manager may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

Website Publishing

- 12.2.7. The Director Corporate Services must place on the municipality's official website the following –
 - 12.2.7.1. the annual and adjustments budgets and all budget-related documents;
 - 12.2.7.2. all budget-related policies;
 - 12.2.7.3. the integrated development plan;
 - 12.2.7.4. the annual report;
 - 12.2.7.5. all performance agreements;
 - 12.2.7.6. all service delivery agreements;
 - 12.2.7.7. all long-term borrowing contracts; and
 - 12.2.7.8. all quarterly and mid-year reports submitted the Council on the implementation of the budget and the financial state of affairs of the municipality.

Other Reports

12.2.8. The Chief Financial Officer must ensure that the financial information which is required for the following annual, six-monthly, quarterly and monthly reports is provided within the required deadlines –

Annual Reports

- 12.2.8.1. Asset Management
- 12.2.8.2. Budget Evaluation Checklist
- 12.2.8.3. Financial Position
- 12.2.8.4. Financial Position Audited
- 12.2.8.5. Capital Acquisition
- 12.2.8.6. Capital Acquisition Audited
- 12.2.8.7. Cash Flow Budget
- 12.2.8.8. Grants and Subsidies Given
- 12.2.8.9. Grants and Subsidies Received
- 12.2.8.10. Financial Performance Audited
- 12.2.8.11. Financial Performance Budget
- 12.2.8.12. IDP to Budget
- 12.2.8.13. Mid-year budget and performance assessment
- 12.2.8.14. Annual Budget

Six-Monthly Reports

- 12.2.8.15. Mid-year Budget and Performance Assessment (Section 72 MFMA)

Quarterly Reports

- 12.2.8.16. Borrow Monitoring
- 12.2.8.17. Corporate Entity
- 12.2.8.18. Long Term Contracts
- 12.2.8.19. MFMA 12 Urgent Priorities
- 12.2.8.20. Public-Private Partnerships
- 12.2.8.21. Equitable Share
- 12.2.8.22. Withdrawals from Municipal Bank Accounts

12.2.8.23. Environment and Health – Allocations and Expenditure

12.2.8.24. Budget Review (Section 52 MFMA)

Monthly Reports

12.2.8.25. Aged Creditors

12.2.8.26. Aged Debtors

12.2.8.27. Capital Acquisitions Actual

12.2.8.28. Cash Flow Actuals

12.2.8.29. Finance Management Grant

12.2.8.30. Financial Performance Actuals

12.2.8.31. Restructuring Grant

12.2.8.32. Municipal Infrastructure Grant

12.2.8.33. MSIG – Project Consolidate

12.2.8.34. Budget Statement (Section 71 MFMA)

12.2.8.35. Supply Chain Management Awards

Water and Electricity Management Policy

Date approved : 6 April 2010

Operation date: 1 July 2010

1. Introduction

This Water and Electricity Management Policy has been developed to meet legislative requirements.

The Chief Albert Luthuli Local Municipality will use this policy to direct the development of appropriate strategies that can then be implemented as and when resources are available.

2. Legislative Framework

The Municipal Budget and Reporting Regulations, 2008 were published by National Treasury as Notice 393 in the Government Gazette No. 32141 on 17 April 2009. Regulation 7(1) states that –

The municipal manager of a municipality must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies¹ of the municipality, or any necessary amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21 (1)(b) of the Act.

The footnote¹ to this regulation lists a number of required policies including

(n) any policies related to managing electricity and water including –

- (i) *a policy related to the management of losses; and*
- (ii) *a policy to promote conservation and efficiency;*

This policy of the Chief Albert Luthuli Municipality has been developed to comply with the above requirement.

3. Objective

In 2004, the then Department of Water Affairs and Forestry issued the Guidelines for Water Conservation and Water Demand Management in Water Management Areas and in the Water Services Sector as part of its Integrated Water Resources Management Strategy.

In June 2009, the then Department of Minerals and Energy issued the National Energy Efficiency Strategy, which was reviewed and updated in October 2008. However, this strategy does not provide any guidance to municipalities.

The objectives of the policy of the Chief Albert Luthuli Municipality are to adhere to the above water guideline and to follow best-practice policies with regard to electricity management. The timing of the implementation may be affected by practical considerations as well the extent of resources that are available.

4. Water losses

Minimizing water loss will be achieved through an effective distribution management strategy that will incorporate the following elements:

- 4.1. A system of flow measurement throughout the bulk distribution system that allows regular measurements to be monitored, thereby allowing for timeous identification of losses;
- 4.2. An effective management system that optimizes flow rates and pressures, monitors water quality and is able to identify and rectify problems appropriately;

- 4.3. A proactive maintenance program that reduces the probability of leaks occurring in the first place;
- 4.4. A suitably resourced maintenance unit that can ensure that leaks or blockages are repaired without undue delays – either through internal capacity or through competent contractors;
- 4.5. An effective asset management program that ensures that the installed infrastructure is designed to meet present and future needs, that plans are developed timeously for refurbishments and/or replacements, and that suitable training is provided to operators; and
- 4.6. An appropriate rationing system that, in the case of severe drought or other inflow impediment, ensures that supplies to emergency services are not affected, ensures that a basic service is provided to all, yet is still able to ration supply as required.

5. Water conservation and efficiency

Maximizing water conservation and efficiency will be achieved through influencing consumer demand, controlling return flows and social awareness strategies that will incorporate the following elements:

Consumer Demand Management

- 5.1. Water efficient appliances should be promoted through LED programs that will encourage their local manufacture, installation, wholesaling and retailing;
- 5.2. Municipal building regulations should be updated to incorporate best practice in terms of water usage efficiency, especially in commercial and public buildings; and
- 5.3. Water tariffs should be determined in a manner that does not just maximize revenue to the municipality, but also influences (i.e. reduces) unnecessary water usage.

Return Flow Management

- 5.4. Monitoring sewerage flows is essential to minimize unwanted inflows and leakages will reduce operating costs while also reducing environmental & health risks;
- 5.5. Dual water systems (potable and grey) that promote water re-use should be installed wherever viable.

Social Awareness and Education

- 5.6. The fact that “water is a scarce resource” must be effectively communicated to all residents and consumers, who should be encouraged to adopt water conservation habits and practices;
- 5.7. Campaigns should be targeted at identified groups and communicated in the most effective manner available, as well as forming an integral component of the IDP process.
- 5.8. Awareness must also be raised and maintained within the municipality’s own staff and service providers.

6. Electricity conservation and efficiency

Electricity shortages are likely to reoccur in future, and municipalities will have a major role to reduce the impact upon users through influencing consumer demand through social awareness strategies that will incorporate the following activities:

- 6.1. Access, and assist local businesses to access, funding from other sources (including CDM credits) to improve electricity efficiency.
- 6.2. Develop programs in collaboration with Gert Sibande and other local municipalities to reduce overheads in the roll-out of electricity conservation and communication initiatives.
- 6.3. Make full use of Eskom's Demand Side Management (DSM) programme, including the CFL exchange and solar water heater programs as well as the Residential Load Management program.
- 6.4. Establish working relationships with other entities such as the National Energy Efficiency Agency, in order to develop best-practice strategies that are appropriate for the Chief Albert Luthuli municipality
- 6.5. Develop an appropriate rationing system that, in the case of load shedding, ensures that supplies to emergency and other essential services are not affected.
- 6.6. Where it is likely to generate meaningful cost savings, to tackle energy efficiency in municipal buildings (as per the national program – which excludes municipalities)
- 6.7. Awareness of the need for electricity conservation must also be raised and maintained within the municipality's own staff and service providers.

7. Implementation & Monitoring

While the Council is ultimately responsible for the development, implementation, monitoring and review of this policy, the Municipal Manager is the official responsible for its management while the Director: Technical Services should be assigned responsibility for its day-to-day management.

The Department of Water Affairs and Forestry has published a number of Best Practice Guidelines and a range of supporting material in its Integrated Environmental Management Series, which should be used to support the development of strategies to drive the implementation of water-related aspects of this policy.

Other departments and public entities have developed a range of strategies, frameworks and programs, with a number of implementable projects, which should be used wherever practical.

It is also important to monitor and review actual performance against the planned, even for communications and awareness strategies. Whenever the municipality undertakes any projects that incur capital expenditure, then detailed monitoring is essential, and a full assessment of the benefits (if any) conducted at appropriate intervals – as any returns on investments may take several years to achieve.

Overtime Policy

Date approved : 6 April 2010

Operation date: 1 July 2010

1. Introduction

1.1. The demand for service delivery often necessitates that employees should perform work outside the normal working hours. It is therefore necessary that such overtime duty be carefully regulated.

1.2. Therefore, the Chief Albert Luthuli Municipality hereby adopts this policy to give effect to the implementation of the overtime policy.

2. Objectives

2.1. The objectives of these policies are.

2.1.1. To provide guidance in the performance of overtime work by council employees as provided for in the Basic Conditions of Employment Act (Act no. 75 of 1997).

2.1.2. This policy will prescribe the overtime rates to be used to compensate council employees who performed overtime work.

2.1.3. To provide control mechanisms on the performance of overtime by Council employees.

3. Scope of Application

3.1. The policy applies to all full time employees of the Municipality except those employees excluded by earning more than the threshold amount as published by the Minister of Labour currently R149 736, 00 per annum, unless otherwise agreed. (*Government Gazette No.30720 of 01 February 2008*)

3.2. In the event of any inconsistency between this policy and any National and other Local Government related legislation, such legislation prevails.

3.3. No overtime will be paid for attendance of functions/prize giving event etc. by personal invitation except in the cases of compulsory attendance as official representative of Chief Albert Luthuli Municipality and provided that such overtime is authorised in advance by the Municipal Manager.

4. Definitions

Deductions: means income tax, pension, medical fund etc.

Earnings: means gross pay before deductions;

Overtime: means the time that a qualifying employee works during a day of a week in excess of the ordinary hours of work;

Emergency work: refers to work that must be done without delay because of circumstances for which the employer could not reasonably have been expected to make provision and which cannot be performed by employees during their ordinary hours of work. Emergency work excludes the performance of routine maintenance work outside normal working hours.

Structured overtime: refers to planned overtime over which the employer has control that continue or take place after normal working hours and will include Council committee meetings.

Remuneration: compensation in money or time off for overtime worked

Wage: means the amount of money paid or payable to an employee in respect of ordinary hours of work

5. **Responsibilities**

5.1. **General**

- 5.1.1. The employer and employees both have the responsibility to ensure that the whole process surrounding overtime is underlined with fairness, equity, honesty, transparency, integrity and openness.
- 5.1.2. Each manager is accountable and responsible to constantly monitor and review the provision for overtime on his/her budget and ensure that trends are noted early, funds are adequate, over expenditure is noted, justified and provided for timeously.
- 5.1.3. Every manager/divisional manager has a responsibility for the implementation, maintenance and management of the overtime system.
- 5.1.4. The salary office is responsible for the calculation and paying out of overtime worked.
- 5.1.5. Designated managers and supervisors are responsible for co-ordinating and controlling system implementation and maintenance at operational level.
- 5.1.6. It is the responsibility of each Directorate to keep documented records in respect of all staff who qualify for time off and the appropriate application form should be completed by the employee when requesting time off.

5.2. **Principle**

Employees may not work overtime unless prior approval has been obtained from the Head of the Department concerned and the work in question cannot be done during working hours. In other words circumstances must be dictating.

5.3. Limitations

5.3.1. If an employee agrees to work overtime, the employee may not work:

- 6.2.1.4. Overtime except in accordance with a written agreement from the Head of the Department concerned;
- 6.2.1.5. More than 10 hours overtime per week;
- 6.2.1.6. More than 3 hours per day; and
- 6.2.1.7. Overtime only commences after completion of ordinary daily or weekly working hours.

5.4. Prior Approval

No employee will be remunerated for overtime worked unless such overtime has been budgeted for and authorized by the Departmental Head.

6. Authorisation

Basic Conditions of Employment Act, No 75 of 1997

7. Regulatory Framework

7.1.1. These conditions of service are guided by the following legislation:

- 7.1.1.1. Labour Relations Act;
- 7.1.1.2. Municipal Financial Management Act;
- 7.1.1.3. Government Gazette; and
- 7.1.1.4. Basic Conditions of Employment Act No. 75 Of 1997

8. Overtime Worked During The Week

8.1.1. Employees will be:

- 8.1.1.1. Paid one and a half times the employee's hourly wage for overtime worked; or;
- 8.1.1.2. Paid his/her ordinary wage for overtime worked and be granted 30 minutes time off on full pay for every hour of overtime worked during weekdays: or
- 8.1.1.3. Granted 90 minutes paid time off for each hour of overtime worked during week (Monday - Friday).

9. Time Off

- The employee will be granted paid time off within one month of the employee becoming entitled to it.
- The employee will be remunerated for overtime worked on the employee's normal payday.
- The taking of time off by an employee will be forfeited if not taken within one month's time but may for operational reasons, be extended to a maximum of six months by the employees Directors.
- Time-off cannot be en-cashed and upon termination of service this specific leave can also not be en-cashed.

10. Operational Requirement

- Due to the business and operational requirements of the Municipality, employees will be required to work overtime on occasions.
- The employer may not require or permit an employee to work overtime or to work on Sundays or Public Holidays except in accordance with an agreement.

11. Overtime Worked on Sunday and Public Holidays

Employees, who normally work five days a week, will be:

- Paid double the employee's hourly wage for overtime worked; or
- Paid his/her ordinary wage for overtime worked and be granted 60 minutes time off on full pay for every hour of overtime worked; or
- Granted at least 120 minutes paid time off for each hour of overtime worked during the week (Monday - Friday).

12. Exemptions

All other staff members not covered by this policy (i.e. people earning more than R115 572, 00) shall be entitled to take time off on full pay for overtime hours worked which was duly approved by the immediate Head. This category of officials will be entitled to accumulate up to a maximum of 30 days per annum. Time off must be taken within six months of overtime hours worked, and any extensions must be approved by the Departmental head concerned. Failure to take time off within six months of such accumulation will result in the forfeiture of the days in question, unless such failure is due to operational requirements. Overtime for these employees will be calculated on 90 minutes for each overtime hour worked during normal working days, and 120 minutes for each overtime hour worked on Public Holidays and Sundays.



SUBSISTENCE AND TRAVELLING POLICY

DRAFT

Reviewed and Approved by Council on June 2013 CL 0.00

SUBSISTENCE AND TRAVELLING POLICY

1. DEFINITIONS

- “Council”** means- The municipal council of Chief Albert Luthuli Local Municipality established by Provisional Notice No.229 of 2000 dated 1 October 2000, as amended, or its successor in title and committee or person to which or to whom an instruction has been given or any power been delegated in terms of or as contemplated in department 59 of the Local Government Municipal Systems Act, 2000 (Act No.32 of 2000).
- “Council Owned”** means a vehicle acquired under bona fide agreement or sale of exchange registered in the name of the Council official.
- “Council Business”** means activities carried out by Councillors and Council Officials on behalf of the Council in discharging its mandate in terms of the Local Government Municipal Systems Act; 2000 (Act No.32 of 2000), Municipal Finance Management Act, Valuation Act and any other applicable legislation.

“Privately Owned”	means a vehicle acquired under a bona fide agreement or sale of exchange finance under a Council motor vehicle scheme registered in the name of a Council official before the implementation of the Municipal Finance Management Act.
“Councillor”	means a member of a Municipal Council.
“Contract Staff”	means staff employed in terms of contract staff (section 57) and any other appointed in terms of similar appointment contract.
“Travel Expense”	includes Toll gate fees, Parking fees, etc.
“Traditional Leader”	as defined in the Government Gazette number

2. PURPOSE

To provide guidelines for business traveling by Councillors, officials, Ward Committee Members, Audit Committee Members and Traditional Leaders on behalf of the Council and the compensation thereof.

3. OBJECTIVES

3.1 To regulate traveling expense claims by Councillors, Officials, Ward Committee Members and Audit Committee Members and Traditional Leaders traveling on behalf of the Council;

3.2 To identify Council business travel and traveling which is not related to Council business.

4. APPLICATION

Applicable to all Councillors, Council Officials, Ward Committee Members, Audit Committee Members and Traditional Leaders including contract staff and permanent employees subject to prior approval by the Senior Manager in that department.

5. POLICY GUIDELINES

5.1 Traveling on Council business

5.1.1 The Municipal Manager or the delegated person shall approve traveling on Council business by officials of the Council. Such request for travel shall be on the Council prescribed form;

5.1.2 The Executive Mayor or the Speaker / Chief Whip or Municipal Manager shall approve traveling on Council business by Council.

5.1.2.1 Destination;

- 5.1.2.2 Reason for traveling (where applicable) proof must be attached to the form e.g.
invitation or agenda of conference or meeting or the attendance register;
- 5.1.2.3 Method of traveling;
- 5.1.2.4 Whether privately or Council owned vehicle will be used; and
- 5.1.2.5 Date of departure and return.

5.2 Usage of privately owned vehicle for Council business

- 5.2.1. Councillors, Officials, Ward Committee Members and Audit Committee Members and Traditional Leaders traveling on approved Council business using privately owned motor vehicle shall be reimbursed at a rate as prescribed by the department of transport from time to time.
Councilors and contract officials will claim as from 0 kilometers after they have travelled.
- 5.2.2. The prescribed form shall be completed after a business trip has been undertaken;

- 5.2.3. The total number of kilometers traveled on Council business shall be provided and finance department shall process all approved travel expense twice per month and make payments on the 15th and 30th of every month or closest working day.
- 5.2.4. There shall be limitation to kilometers traveled monthly to all officials as follows:
- 5.2.4.1. Municipal Manager will limited to 3000 km per month
 - 5.2.4.2. (Directors) **Managers** will be limited to **2500** km per month;
 - 5.2.4.3. Assistant Directors will be limited to **2000** km per month;
 - 5.2.4.4. Other staff members will be limited to **1000** km per month;
 - 5.2.4.5. Staff receiving car allowances as per council policy will be limited to travel kilometers prescribed by the policy of Council on traveling allowance;
 - 5.2.4.6. Should any of the employees of Council exceed the prescribed kilometers as mentioned above the kilometers be carried over in the following month; (the Municipal Manager in the case of Directors will give prior approval of extension of kilometers for that month. In the case of other employees including Assistant Directors the Director of the affected Department shall give prior approval. In the case of employees receiving car allowances as per Council policy prior approval shall be obtained from the Municipal Manager or *Delegated Officials*.)
 - 5.2.4.7. Councillors will not be limited.

5.3 Usage of Council owned vehicle

- 5.3.1 No Council official qualifying for a Council subsidized motor vehicle will be allowed to use Council owned vehicle for business (or private purposes);
- 5.3.2 Councillors and Official using Council motor vehicle or Council rented vehicle, shall not claim traveling expenses as in 4.2.1 above provided Council incurred petrol expenses.
- 5.3.3 Councillors and Officials authorized to use Council owned vehicle for business purpose shall be reimbursed petrol expenses provided such official has incurred the expenditure and prove of expenditure is produced.
- 5.3.4 A logbook and trip authorization form shall be kept for all Council owned vehicles.

5.4 Travel

5.4.1 Air travel

- 5.4.1.1 The Executive Mayor may travel on Business or Economy class;

5.4.1.2 Councillors and Officials required to use air travel to attend to Council business matters shall book economy class for such travel provided that with the approval of the Executive Mayor;

5.4.1.3 Indicate distance that permit for air travel;

5.4.1.4 Get quotations for flight.

5.4.2 Road travel

5.4.2.1 Permitted to claim for kilometers traveled (own vehicle);

5.4.2.2 Officials is using her/his own vehicle or private transport, then a travel claim can be submitted;

5.4.2.3 If a Ward Committee Member, Traditional Leader and Audit Committee Member is using her/his own vehicle or private transport for council business, then a travel claim can be submitted and payable similar to officials and councilors;

5.4.2.4 If a person travels within Albert Luthuli Municipality and an overnight stay is necessary then the municipality will pay for the accommodation and the kilometers traveled;

5.4.2.5 When making use of public transport then claiming of the taxi fee is permitted;

5.4.2.6 If a ward committee member or traditional leader use a public transport then a taxi fee is claimable.

5.4.3 Car hire

5.4.3.1 Category A and B cars

5.4.3.2 The Executive Mayor is not limited to have above two categories.

5.5 Subsistence allowance

5.5.1 *A day allowance of R75.00 is claimable if an official travel outside Albert Luthuli Municipality for more than four hours.*

5.5.2 For an overnight stay an inconvenience allowance of R150.00 will be paid.

5.5.3 For Councillors' and Officials attending classes inconvenience allowance is not applicable.

5.5.4 If accommodation only includes bed and breakfast, then an allowance of maximum of R150.00 (one hundred and fifty rands) is claimable for dinner.

5.5.5 In an event of a member going overseas then a daily allowance is permitted. The allowance will be determined depending on the exchange rate applicable at that stage. All must be approved by Council

5.6 Accommodation- Hotel:

5.6.1 Maximum Rates (bed, breakfast, lunch and dinner):

- *Peak times (between R1500- R2000).*
- *Off peak times (maximum R1500).*

5.6.2 If accommodation is booked for a person and the person take another person with, then the cost of the second person must be paid by the person and is not the responsibility of the municipality ((except the Executive Mayor).)

- 5.6.3 *If booking for accommodation has not been done, then can officials, Councillors, Ward Committee member or Audit Committee member and Traditional Leader can claim R200 plus R120 in terms of the policy.*

5.7 Approval of claims (authorization of trips)

- 5.7.1 For Councillors/Ward Committee Members/Traditional Leaders: Executive Mayor or Speaker and Municipal Manager.
- 5.7.2 For Directors, Audit Committee Members; Ward Committee Members and Traditional Leaders: Municipal Manager or Acting Municipal Manager;
- 5.7.3 Other staff: Head of Department in consultation with the Municipal Manager (according to the delegation register).
- 5.7.4 Municipal Manager: Executive Mayor or Speaker and Director Corporate Services
- 5.7.5 Speaker and Executive Mayor: Chief Whip and the Municipal Manager

5.8 Interviews (claiming of travel)

- 5.8.1 Director Corporate Services will recommend the claim for the interviewee and the Municipal Manager will approve it.
- 5.8.2 *The Maximum rates for candidates attending interviews shall be the rate as prescribed by the department of transport from time to time.*

5.9 Cancellation of bookings

- 5.9.1 In case accommodation is booked and the person does not attend the function/event and neglected to inform the municipality/hotel, then the person is responsible for the cost;
- 5.9.2 If a booking is made and the function is cancelled, then the municipality will incur the cost.

6 WHO HAS WHAT RESPONSIBILITIES?

6.1 Executive Mayor / Council

6.1.1 Oversee and monitor:

6.1.1.1 The implementation and enforcement of the municipality policy;

6.1.1.2 The performance of the Municipal Manager in implementing the policy.

6.1.2 Evaluate the effectiveness of the policy and review it, present it for Council approval to Control the traveling and subsistence expenditure payable by the Council;

6.1.3 At such intervals as may be determined by the Council report to a meeting of the Council on the effectiveness of the travel and subsistence allowance policy.

6.2 Municipal Manager

6.2.1 Improvement and enforcement of the travel and subsistence allowance policy adopted by the Council;

6.2.2 In accordance with the travel and subsistence allowance policy and any such by-laws, establish effective administrative mechanisms, processes and procedures to control the traveling and subsistence expenditure;

6.2.3 At such interval as may be determined by the Council, table a report on the status of municipal finances to a meeting of the Mayoral Committee.

7 REFERENCES

7.1 Local Government Municipal Systems Act, 2000;

7.2 Income Tax Act No.58 of 1962;

7.3 Financial reporting by municipalities Regulation R1536;

7.4 Municipal Finance Management Act, 2003.

The application date of this policy and its adopted amendments shall be as from the 27th day of February 2007.

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PART 3

SERVICES DELIVERY AND BUDGET IMPLEMENTATION PLANS

Chief Albert Luthuli Municipality



DRAFT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

2013/2014

1. Background

This document serves as the Service Delivery and Budget Implementation Plan (SDBIP) for the Project Management Unit (PMU) in the Chief Albert Luthuli Municipality in respect of the 2013/2014 financial year. This Budget management plan and tool should be read in conjunction with the Integrated Development Plan (IDP) and the approved Budget for 2013/2014. Section 69(3)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)(MFMA) requires the accounting officer to submit a draft service delivery and Budget implementation plan (SDBIP) to the mayor no later than 14 days after the approval of the Budget and drafts of the performance agreement as required in terms of Section 57(1)(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (MSA). The mayor must subsequently approve the SDBIP no later than 28 days after the approval of the Budget in accordance with Section 53(1)(c)(ii) of the MFMA. Section 1 of the MFMA defines the SDBIP as: *“A detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality’s delivery of services and the execution of its annual Budget”* and which must include the following:

- a) Projections for each month of the financial year,
- b) Revenue to be collected, by source; and
- c) Operational and capital expenditure, by vote;
- d) Service delivery targets and performance indicators for each quarter.

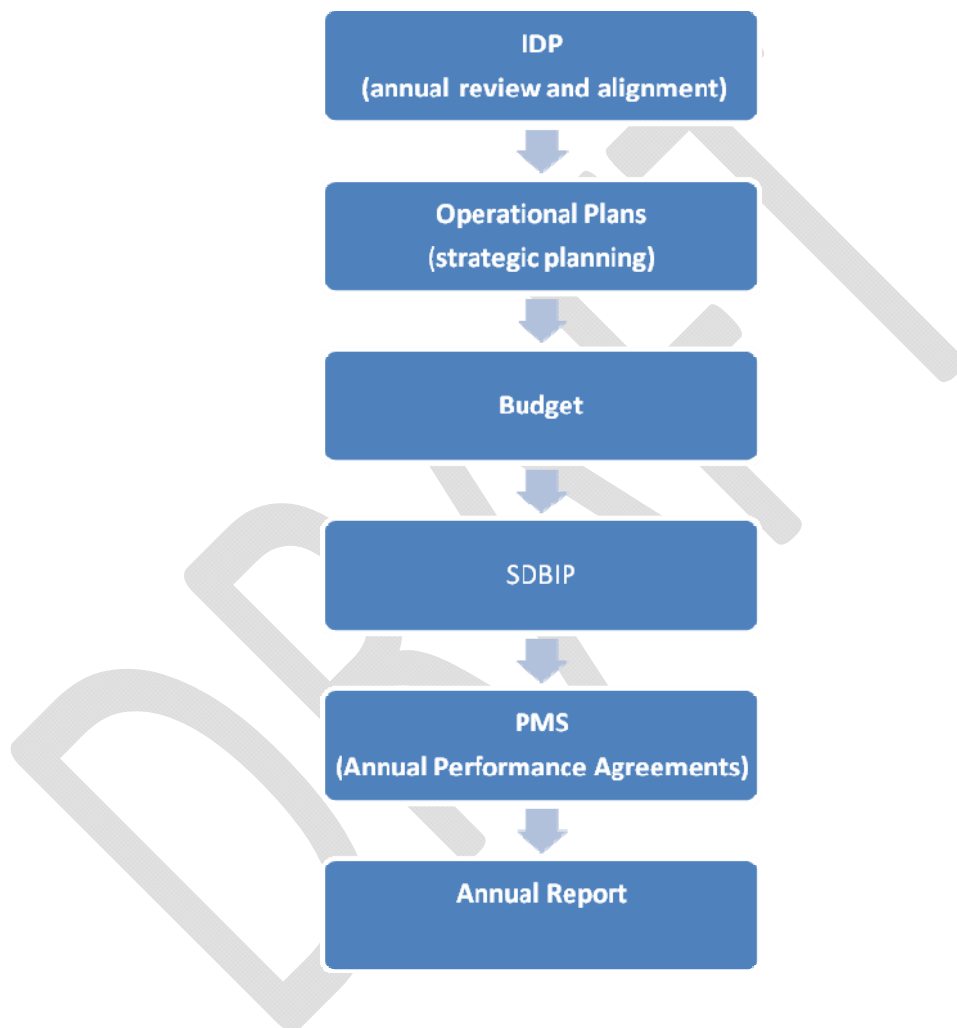
This plan is therefore largely a one-year detailed implementation plan that gives effect to the IDP and approved Budget of the Municipality. It is a “contract” between the Administration, Council and community expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the Administration over the next twelve months. This provides the basis for measuring performance in service delivery against end of year targets and implementing the Budget. The draft 2013/2014 Annual Budget must be tabled at an ordinary meeting of the Municipal Council as required in terms of Section 16 of the MFMA. As per the MFMA the tabled Budget will then be taken to the community to ascertain their views through public participation sessions. The issues raised at these sessions will then be considered for incorporation into the final Budget to be tabled before Council for adoption before the commencement of the 2013/2014 financial year. The Municipality’s key areas of focus have been grouped into five national key performance areas (KPA’s) namely:

- Infrastructure development and service delivery
- Municipal transformation and institutional development
- Local Economic Development (LED)
- Municipal financial viability
- Good governance and public participation

2. Overview

The Context of the SDBIP

Strategic planning forms an integral part of the Municipality's annual IDP review and alignment, and Budget preparation processes. In turn these processes, in essence, are part of the broader system of performance management within the Municipality. The following figure illustrates the link between, and the sequence from the IDP, strategic planning, Budget, SDBIP, Performance Management System up to the annual report.



The IDP strategy is made up of the numerous development priorities and objectives as contained in the IDP. The Municipality performs strategic planning on an annual basis. The operational plans that are developed as part of strategic planning then form the basis for the development of budgetary inputs. The Municipality also performs the annual IDP review and alignment of the IDP with the Budget as required in terms of the MFMA. The IDP development priorities and objectives are then incorporated into the Budget. Such development priorities and objectives are then unpacked into individual programmes and projects as part of the process of municipal and departmental strategic and operational planning. All such development priorities and objectives and individual programmes and objectives are linked to the National KPAs and are then allocated relevant key objectives, KPIs (including key inputs, key outputs and outcomes), target dates and weightings. This then essentially becomes the Municipality's **SDBIP**, which is then cascaded down to the annual performance agreements of the Municipal Manager and Managers directly accountable to the Municipal Manager. In essence

then the development priorities and objectives are translated into detailed programmes and objectives, which are then incorporated into the Budget and the SDBIP, with relevant objectives, KPIs, targets dates (timeframes) and weightings. This then serves as a guideline or blueprint for the implementation of the IDP strategy and also serves to provide indicators to aid and direct the process of performance measurement, monitoring and reporting. In terms of Section 71 of the MFMA, the Municipality prepares monthly Budget Statements and also complies with Section 52, which refers to the submission to Council of a quarterly Budget Implementation and financial state of affairs report and Section 72 which provides for the preparation of a mid-year Budget and Performance Assessment Report. In addition, the Municipality has taken cognisance of the Municipal Planning and Performance Management Regulations and the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, which respectively provide for performance reporting to the municipal council at least twice a year and for performance of the Municipal Manager and Senior Managers, in relation to their performance agreements, to be reviewed quarterly with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory.

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3. Detailed Capital Works Plan by Ward – 2013/2014

Project Name	Draft Budget 2013/14	1st Quarter 2013/14	2nd Quarter 2013/14	3rd Quarter 2012/14	4th Quarter 2013/14	Funding Agent 2013/14
WATER						
Upgrading of Lusushwane Water Scheme	12 000 000	1 200 000	3 600 000	4 800 000	2 400 000	RBIG
Upgrading of Eerstehoek Water Scheme	12 000 000	1 200 000	3 600 000	4 800 000	2 400 000	RBIG
Upgrading of pumping capacity and retrofitting of Eerstehoek Water Scheme	9 700 000	970 000	2 910 000	3 880 000	1 940 000	MIG - MEGA
Replacement of AC Pipelines on the Eerstehoek Water Scheme	5 000 000	500 000	1 500 000	2 000 000	1 000 000	MIG
Upgrading pumping capacity and retrofitting of Carolina Water Scheme	18 584 800	1 858 480	5 575 440	7 433 920	3 716 960	MIG - MEGA
Upgrading of Empuluzi Water Scheme	8 000 000	800 000	2 400 000	3 200 000	1 600 000	MIG
SUB TOTAL WATER - MIG	47 531 800	4 753 180	14 259 540	19 012 720	9 506 360	
SANITATION						
Provision of VIP Toilets in wards to be identified	9 500 000	950 000	2 850 000	3 800 000	1 900 000	MIG
Construction of Silobela Ext 2 and 3- 500 toilet top structures		0	0	0	0	MIG
SUB TOTAL SANITATION - MIG	9 500 000	950 000	2 850 000	3 800 000	1 900 000	
ROADS						
Construction of tarring of Roads	8 000 000	800 000	2 400 000	3 200 000	1 600 000	MIG
SUB TOTAL ROADS -MIG	8 000 000	800 000	2 400 000	3 200 000	1 600 000	
ELECTRICITY						
Construction of 16 high mast lights	5 000 000	500 000	1 500 000	2 000 000	1 000 000	MIG
Construction of 100 streets lights	1 500 000	150 000	450 000	600 000	300 000	MIG
Electrification 808 households	10 500 000	1 050 000	3 150 000	4 200 000	2 100 000	INEP - DOE
SUB TOTAL ELECTRICITY	17 000 000	1 700 000	5 100 000	6 800 000	3 400 000	
SUB TOTAL ELECTRICITY - MIG	6 500 000	650 000	1 950 000	2 600 000	1 300 000	
COMMUNITY ASSETS						
Construction of Carolina Landfill Site	4 000 000	400 000	1 200 000	1 600 000	800 000	MIG
Construction of Carolina Taxi Rank		0	0	0	0	MIG
Construction of Tjakastad Taxi Rank	1 868 500	186 850	560 550	747 400	373 700	MIG
Refurbishment of Carolina Stadium		0	0	0	0	MIG
SUBTOTAL COMMUNITY ASSETS - MIG	5 868 500	586 850	1 760 550	2 347 400	1 173 700	
TOTAL INFRASTRUCTURE BUDGET	97 817 201	97 817 203	97 817 204	97 817 205	97 817 206	
TOTAL MIG BUDGET	77 400 300	7 740 030	23 220 090	30 960 120	15 480 060	

4. Operational Cost Allocation – 2013/2014

The breakdown of the amount for the 2013/2014 financial year is as follows:

PMU COSTS	ANNUAL TOTAL (2013/14)
Salary Packages:	
PMU Manager	R 786 469
Asst Manager	R 527 435
Project Officer 1	R 283 911

Project Officer 2	R 283 911
Project Officer 3	R 283 911
Project Officer 4	R 283 911
Admin Officer	R 283 911
Annual Operational costs:	
Travelling costs	R 495 789
Accommodation	R 116 036
Consumable	R 247 895
Telephone	R 263 718
Training	
• Various (GCC, Project Management etc)	R 216 802
TOTAL COST	R 4 073 700
Funding	
MIG Funding	R 4 073 700
TOTAL FUNDING	R 4 073 700

DIRECTORATE TECHNICAL SERVICES - PROJECT MANAGEMENT UNIT (PMU)

Priority Area	Strategy Objective	KPI Indicator		Annual Budget (R)	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Outcome	Impact				Budget	Target	Budget	Target	Budget	Target	Budget	Target
KPA1: BASIC SERVICE DELIVERY														
Infrastructure development and service delivery	Reports on projects implemented	Number of meetings to be held	For efficiency on the department	2,591,275	8	8	647,819	2	647,819	2	647,819	2	647,819	2
		Quarterly progress report to be submitted to Council	To enable the Council to oversee the department		4	4		1		1		1		1
		Monthly Progress Reports to be submitted to relevant stakeholders	For updating the progress for DWA, DOE, MIG & EPWP		12	12		3		3		3		3
	Eradication of backlogs	Number of households benefitting from new access to water	New access to water	47,531,800	3,845	750	4,753,180	0	14,259,540	50	19,012,720	150	9,506,360	550
		Number of households benefitting from new access to sanitation	New access to sanitation	9,500,000	3,949	1,000	950,000	0	2,850,000	0	3,800,000	500	1,900,000	500
		Kilometers of road to be constructed	Kilometers of road constructed	8,000,000	7	2	800,000	0	2,400,000	1.5	3,200,000	2	1,600,000	5.5
	KPA1: BASIC SERVICE DELIVERY													
Infrastructure development and service delivery	Eradication of backlogs	Number of households benefitting from access to basic electricity	Access to basic electricity	10,500,000	745	808	820,000	0	1,640,000	50	2,460,000	145	3,280,000	550

		y												
	Improve ment of existing systems	Number of househol ds benefitin g from improve d bulk water systems	Househol ds benefitin g	12,50 0,00	2,224	10,50 0	1,250, 000	0	2,500, 000	2,500	3,750, 000	3,000	5,000, 000	5,000
Priority Area	Strategy Objectiv e	KPI Indicator Outcome	Impact	Annua l Budge t (R)	Annua l Baseli ne	Annua l Target 2013/ 14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
							Budge t	Target	Budge t	Target	Budge t	Target	Budge t	Targe t
Infrastru cture develop ment and service delivery	Provision of public facilities	Number of househol ds benefitin g from new/imp roved waste manage ment system	Access to new/imp roved waste manage ment system	4,000, 000	0	15,00 0	400,00 0	0	800,0 00	0	1,200, 000	0	1,600, 000	15,00 0
KPA1: BASIC SERVICE DELIVERY														
Infrastru cture develop ment and service delivery	Provision of public facilities	Number of househol ds benefitin g from street lighting and High Masts	Househol ds benefitin g from street lighting and High Masts	6,500, 000	320	5,000	650,00 0	0	1,950, 000	0	2,600, 000	0	1,300, 000	5,000
KPA2: LOCAL ECONOMIC DEVELOPMENT (15%)														
Creation of job opportu nities	Impleme ntation of EPWP	Improve d reporting skills	Improve our performa nce	785,5 25	4	8	78,553	2	157,1 05	2	235,65 8	2	314,21 0	2
		Monthly EPWP reports to be produce d	Receive more incentive s		12	12		3		3		3		3
		Number of jobs to be created for semi- skilled individua ls	Alleviate poverty		700	700		100		200		200		200
KPA3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (10%)														
Public Participa tion	Ensure Communi ty participa tion and support for all	Formulat ion of the PSC	Public Participa tion		10	10		0		2		8		8
		Number of PSC/Site meeting	Project involvem ent of the		20	20		0		5		5		10

	projects	to be held	Beneficia ries											
KPA4: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION (10%)														
Develop ments	Empowe rment of local Emerging Contract ors	Obtain reports on Awards for emerging contract ors from SCM	Local contract ors appointe d		55	60		10		15		20		10
	Empowe rment of the personne l	Skills develop ment	Better performa nce		12	20		5		0		5		10
Priority Area	Strategy Objectiv e	KPI Indicator Outcome	Impact	Annua l Budget (R)	Annua l Baseli ne	Annua l Target 2013/ 14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
							Budge t	Target	Budge t	Target	Budge t	Target	Budge t	Target
KPA5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (5%)														
Financial Manage ment	Proper manage ment of the departm ental finance	Manage departm ental finance in line with the Budget	Controlli ng the Expendit ure		AG action Plan	Clean Audit		Mana ge the funds		Mana ge the funds		Mana ge the funds		Mana ge the funds

DIRECTORATE TECHNICAL SERVICES

Priority Area	Strategic Objective	KPI Indicators		Annual Budget	Annual Baseline	Annual Target 2013/14
		Outcome	Impact			
KPA 1: BASIC SERVICE DELIVERY						
Roads and Storm Water Drainages Infrastructure	To develop road and storm water master plan	A completed Master Plan	Provide understanding on status of road infrastructure within the municipality	R900 000	Develop specification for sourcing of service providers through SCM	Have a credible roads and storm water master plan
	Procurement of TLB ,water cart and tipper truck	Speed up service delivery	Eradicate the backlog of re-graveling	R2 400 000	Provide specification for SCM processes	Procurement of TLB ,water cart & tipper truck
	Maintaining all gravel roads through grading	Smooth riding street	Improve access through well roads	R500 000	800km	600km
	To give access through re-graveling.	Smooth riding street	Improve the structure of gravel roads and safety of road users	R1 500 000	20km	25km
	To repair base patches and their defects	Well maintained roads, also increase its life span	Safe road infrastructure.	R 1000 000	80M³	40M³
	Maintenance of Storm water infrastructure	Clean and free flow storm water channels	Eradicate flooding of roads and improve channeling of water	R800 000	80 storm water drainage system and 20km of open flow water channels	40 storm water drainages system and 10km of open flow water channels
	Installation of storm water pipes	To improve channeling and drainage of storm water	Reduce claims due to damaged property by water flooding	R800 000	200M (aprox 34 pipes)	100M
	Repair and replace road kerbs	Satisfactory infrastructure	Proper channeling of water on the surface of the paved road	R200 000	40KM	60KM
	Construction of open water channels	Satisfactory infrastructure	Reducing of soil erosion on the edges of the road	R200 000	10KM	2KM
	Repair or maintenance of bridges.	Satisfactory infrastructure	Improved access	R600 000	10 bridges	12 bridge structures
	Rehabilitation of dongas and construction of soil retaining structures	Access funding for implementation	Business plan submitted for funding	R20 000 (internal staff)	Completed business plan	Rehabilitation of all dongas as soon as they develop
Water and Sanitation	Supply clean drinking water	Water treated to total plant design capacity	Quantity of water as measured in	R20 000 000	9617.75 (MI)	11315 (MI)
	Collect and treat Waste Water	Total quantity treated	Safe environment	R 1 000 000	Actual measured at inflows	Actual measured at inflows
	Maintenance of distribution network (Water and Sewer)	Extend life span of infrastructure	Minimize system losses/ spillages by addressing leaks	6000m	(counted from no f pipes maintained)	6000m
	Cleaning of reservoirs	Removed sludge at reservoirs	Reduced turbidity at network	R300 000	10 reservoirs	15 reservoirs
	Maintenance of dosing systems	Functional and effective systems	Minimize water quality failures caused by malfunctioning system	R500 000	6	10
	Water quality monitoring	40 pm	Complaints with Blue and Green drop requirements	R420 000	480 samples 2 sets of full SANS tests	480 samples 2 sets of full SANS tests
	Improve and capacitate supervision and reporting/data logging at Plants	Proper records generation and management. improve job planning and job quality	Proper records will address challenges on audit (AG) and Blue and Green Drop audits	R200 000	10 people trained	10 people trained

Priority Area	Strategic Objective	KPI Indicators		Annual Budget	Annual Baseline	Annual Target 2013/14
		Outcome	Impact			
	Review Water Safety Plan annually before the annual audit by DWA	Reviewed Water Safety Plan, and Water Services Development Plan, Process Audit	Review and updated Sector Plans	R500 000 (outsourced & Internal)	1 completed per plan	1 completed per plan
	Groundwater flow monitoring in sewer oxidation ponds	Drill 2 boreholes per pond	Sample every three months, address issue raised in Water Safety Plan	R400 000	1 borehole X 4 ponds	8 boreholes drilled and monitored
	Prevent storm water ingress to Elukwatini, Ekulindeni, and Badplaas ponds	Create storm water diversion channels.	Prevent flooding/sheet flow	Internal	3 ponds	3 ponds
	Control of high vegetation and grass growth at Treatment Plants and Booster stations .Maintenance of sewer ponds (3 ton truck, tools, team of 7 people)	Establish a team of grounds man	Well maintained ponds	R1m	5 sites per quarter	5 sites per quarter
Electricity Infrastructure	Electricity Master Plan	A completed Master Plan	Provide understanding on status of road infrastructure within the municipality	R2m	Prepare specification to SCM	Fully developed Electricity Master Plan
	O&M plans and Manuals	Compliance with NERSA	Coordinated and efficient repair and maintenance work	R1m	Prepare specification to SCM	Fully developed O&M plans
	Repair and maintenance of transformers	To ensure reliable & safe supply to prolong life equipment according to NERSA license	No. Of transformers maintained or replaced and fully functioning	R1m	75	75
	Install Repair and maintenance of fencing/barricading for all electrical infrastructures.	To prevent unauthorised access to the infrastructure	Secure infrastructure and ensuring safety of the community	R500 000	15	30
	Repair and maintenance of street and high mast lights.	Satisfying functionality of lights	Burning lights at night, reduce crime caused by dark streets		Street lights	1865
					High mast lights	86
	Repair and Maintenance of Electrical network	Safe functioning and uninterrupted continuous supply of electrical network.	Constant supply of electrical distribution network	R1m	Actual length repaired and maintained	Actual measured
	Maintenance of electrical panels at substation	Effective and efficient power supply	No. Of panels, Breakers, Battery Tripping Unit and switch gears maintained	R1m	14	14
	Maintenance of lights and other accessories in the municipal building. Switches, lights, plugs e. T. C	Fully functional and safe use of electrical accessories.	No. Of lights, socket outlets, Distribution board maintained	R500 000	29 buildings	No of buildings maintained
	Maintenance of standby generators	Reliable functionality of standby generators	Back up supply of electricity in case of electricity power failure.	R250 000	2	2
	Maintenance of Ring Main Unit (RMU)	Ensuring safety and reliable operational continuity of supply.	No. Of RMU maintained	R500 000	24	24

Priority Area	Strategic Objective	KPI Indicators		Annual Budget	Annual Baseline	Annual Target 2013/14
		Outcome	Impact			
	Maintenance of kiosk	Ensuring safety to the community and reliable operational continuity of supply	No. Of Kiosk maintained	R200 000	25	50
	Effect Disconnection for illegal connections and enforce bylaws	Reduction in illegal connections	No. of illegal connection identified and disconnected	Internal staff	As reported	Actual disconnection
	Replacement of Faulty meters	Ensure proper metering to the households with access to electricity within the licensed distribution area	Minimising the losses and increasing the income revenue to the municipality	R500 000	As reported	As Reported
	To provide new meter connection to households.	All applicants being connected and metered.	No. Of applications received	Tariffs	Within 7 working days	As and when requested
Fleet Management	To make sure that all Municipal vehicle are serviced, repaired and maintained at all time.	Enhanced service delivery. through timely fleet and plant	To have serviced vehicles that improve live span on the vehicle.	Increased by 6% of the previous Financial year Budget.	Fleet serviced	All vehicles serviced, repaired and maintained at all time.
	To ensure that all Municipal vehicles are renewed their road worthy license in time.	Renewed licenses in vehicles.	Reduce traffic offence.	R90 000.00.	Reduce traffic fine by 80%.	146 fleet
	Procure and equip LDV for mechanic	Turnaround time for attending complaints	Travel to call outs	R350 000	Furnish SCM with specification	To have a fully equipped LDV
	Hydraulic Lifter	Improve working environment	Allow access to work underneath car	R150 000	Furnish SCM with specification	To have a procured and delivered hydraulic lifer
KPA 2: LOCAL ECONOMIC DEVELOPMENT						
Create Business Opportunities and Employment	Contribute to employment	Reduce employment	60% vacant post filled	To be determined by employees related costs	60% vacant post filled	Number of vacant post filled
	To reduce time on paper work enhance the repairs of tyre.	Improve on time respond on repairing tyres.	Improved time on responding for service delivery saved time.	R135 800	Appointment of two full time employees for the repairing on tyres	100 % improved serves of fitting and repairing of tyres.
	To make sure that all Municipal vehicle are serviced, repaired and maintained at all time.	Enhanced service delivery.	To have serviced vehicles that improve live spun on the vehicle.	Increased by 5% of the previous Financial year Budget.	All vehicles serviced, repaired and maintained at all time.	Actual number services and repaired
	Support small business initiatives (car wash, bakery, small community gardening, etc) with lights and water services	Business growth	The establishments will manage to function better	Monthly billing	Meeting demand at all times	Actual consumption of service
	Provide fixed term contracts (Pumps and Motors, supply of chemicals, water material, Asphalt, cement, maintenance of graders, etc)	Smooth relations with supplies and timely supply of services. Avoid deviations	Improve turnaround time by not going through supply chain process for time	R18 000 000	Specs provided, SLAs in place, progress reported on monthly bases	Actual service rendered
	Creation of job opportunities through EPWP	Creation of job opportunities	Reduce unemployment rate	R4 000 000	Creation of at least 100 job opportunities	Create at least 100 job opportunities

Priority Area	Strategic Objective	KPI Indicators		Annual Budget	Annual Baseline	Annual Target 2013/14
		Outcome	Impact			
KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION						
Customer Care and Stakeholder Management	Take part in IDP consultation processes, water conservation campaigns, publishing of water quality results, communication on services interruptions	Good governance and Stakeholder engagement	Informed communities and stakeholders	Internal	Provide progress reports	Attend gatherings as and when arranged
	To be accountable through Batho Pele principles	Provide platform for customer feedback on services	Able to measure turnaround time to resolve complaints	internal	Improve call centre services	Percent of complaints resolve. Complaint resolved within times given in the service charter over received
	Comply with regulations and guidelines	Compliance to Blue & Green drop, AG, NERSA, etc	Render the municipality progressive	internal	Percent improvement	Actual performance as per regulatory reports
KPA 4: MUNICIPAL AND INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION						
Development of master plans and other sector plans	To have coordinated business plan	Understand the backlog and enable prioritizing of programs	Compliance with audits and regulations.	R3 900 000	Specifications provided to SCM	Fully developed plans
Provide opportunities for internship and learnership to locals	Grow local skills	Improve employability of locals	Attract qualified potential employees	R300 000	5 beneficiaries	5 beneficiaries
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT						
Properly provide for budget and constantly identifying potential income generation streams	Municipal financial growth	Achieve financial viability	Sustainable and viable service driven municipality	Internal	Expenditure kept within budget	Actual expenditure kept within budget without compromising services
Developing business plans for funding	Unlock funding by external partners	Access funding	Provide for better asset management and maintenance	Internal and risk based for external professionals	Business plans developed	Source external funding

DIRECTORATE FINANCE

Priority Area	Strategy Objective	KPI Indicator		Annual Budget (R)	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2	
		Outcome	Impact				Budget	Target	Budget	Target
KPA 1: BASIC SERVICE DELIVERY										
Free basic service	To provide free basic service to indigent community	Number of indigent community registered	Poverty Alleviation		5787	Increase in number of registered indigents	3 Monthly Reports		3 Monthly Reports	
KPA 2: LOCAL ECONOMIC DEVELOPMENT										
	To ensure that LED is promoted through preferential procurement practices	No contracts and tenders awarded which went to Broad Based Black Economic Empowerment (BBEEs)	Improve Local Economic Development			At least 10 contracts awarded to Youth; 10 to Women 5 to people with disability	3 Monthly Reports		3 Monthly Reports	
	Updating of information of external service providers on database	Number of contractors registered in the municipal data base	Improve Local Economic Development			4 Adverts	1 Advert to National Newspaper		1 Advert to National Newspaper	
KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
Customer Care Survey	To motivate communities to pay municipal services	Number of wards visited	Increase in Revenue collection			25 Wards	10 Wards		5 wards	
Batho Pele	To institutionalize Batho Pele principles in the operations of the Municipality	Adopted service charter and implementation	Ensuring Transparency &accountability			100% compliance with Batho Pele principles	Signed charter		50% implementation	
IDP/Budget Process	Engaging of government departments, other sectors and the District in the IDP	Adopted and approved IDP Process Plan and Programme	Promoting inter-governmental relations			4 Quarterly Reports	31-Aug-2013 1 Quarterly Reports		1 Quarterly Reports	
KPA 4: MUNICIPAL AND INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION										
Formulation/ review and implementation of budget	Formulate/Review , adopt and implement the budget related	Ensuring compliance	Strengthen governance			Approved draft and final budget related policies on 31 March	Implementati on		Implementati on	
Priority Area	Strategy Objective	KPI Indicator		Annual Budget (R)	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2	
		Outcome	Impact				Budget	Target	Budget	Target
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
Operational, Capital Budget	To develop a credible Adjustment budget	Credible Budget	Funded operational and capital projects		Approved Adjustment Budget	Approved adjustment budget for January 2014	N/A		Prepare mid-year report & draft adjustment budget	
	Responsible for the compilation of the budget and management of the 2014/2015 budget approved by Council in line with Chapter 4 of MFMA	Credible Budget	Funded operational and capital projects		Approved budget for 30 March 2014	One Budget for 2013/14 financial year by 31 May 2014	N/A		N/A	

Bank Account Responsible for the opening and maintenance of the Council's Bank Account in terms of Section 11 of the MFMA	Adhering to the legislative requirements by reporting on cash withdrawals to Council: Quarterly cash withdrawals reported to Mayoral Committee	Number of Quarterly Reports	Compliance with the legislation		Send letter to Provincial Treasury and Auditor-General	4 Quarterly Reports	1 Quarterly Report		1 Quarterly Report	
	Confirm in writing in terms of Section 9(b) the name of each bank where the municipality holds a bank account, and the type and number of each account to: Mpumalanga Provincial Treasury and Auditor-General	Number of letters sent				Letter to Provincial, National Treasury and Auditor General				
Increased payment rate on Services	To fully implement the credit control and debt control policies	Increased revenue collection	More funds available to funds projects				65%		67%	
Priority Area	Strategy Objective	KPI Indicator		Annual Budget (R)	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2	
		Outcome	Impact				Budget	Target	Budget	Target
Increased payment rate on Services	Monitoring and performance reporting of the following appointed external service providers in line with the agreed performance targets	Number of Monthly reports submitted to Mayoral Committee and Council	Ensuring that all municipal monies are deposited to municipal bank accounts			12 Monthly reports	3 Monthly reports		3 Monthly reports	
	To ensure that all money collected by appointed Prepaid Electricity Vendors is deposited to the municipal bank account	Number of Monthly reports submitted to Mayoral Committee and Council	Ensuring that all municipal monies are deposited to municipal bank accounts			12 Monthly reconciliation	3 Monthly reports		3 Monthly reports	
Supply Chain Management	To review the SCM Policy and strengthen the functionality of the unit	Reviewed and approved policy and processes	To ensure transparent, fair, equitable and cost effective procurement system			Approved SCM policy and processes	Implementati on policy and develop processes		Implementati on policy and processes	

DIRECTORATE PLANNING AND ECONOMIC DEVELOPMENT

Priority Area	Strategic Objective	KPI Indicator	Annual Budget	Annual Baseline	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Outcome			Output Target	Budget	Output Target	Budget	Output Target	Budget	Output Target	Budget
KPA 1 : BASIC SERVICE DELIVERY												
Town Planning	GIS Create a fully equipped GIS centre for the municipality with computers, printers GPS	Geographical information available for all planning purposes in the municipality. Increase revenue collection through supply of site plans and other information.	350,000	No GIS system in place								
Town Planning	Silobela Cemetery	Improved cemetery facility for the community of Silobela	900,000	Existing cemetery reached capacity	Appoint service provider for studies such as Geographical Technical Survey, Flood line report, Engineering Services Report	600,000	Public Participation	0	Cemetery lay-out	600,000		
Town Planning	Formulate Nodal Development Framework for all units.	To provide a framework for development of all areas in the municipality	300,000	SDF in place Draft LUMS	Appoint a Service provider to develop the framework plans.	100,000	Feasibility studies and data collection	100,000	Development of draft Framework	100,000	Final Framework	300,000
Town Planning	Formalisation of Empuluzi Ext C1	To formalize the existing settlement – plus minus 500 households	300,000	Draft lay-out plans existing	Appoint service provider for formalisation of settlement	200,000	Verification of existing households	100,000	Lay-out plans	200,000	-	-
Town Planning	Carolina Industrial Extension	Continue with the Township establishment process of Increasing industrial activities in the area	900,000	Need for serviced industrial sites	Conduct studies such as Geographical Technical Survey, Flood line report, Engineering Services Report	800,000	Public participation	0	Lay-out plans	700,000	-	-
Building management	Install Computerised Electronic Building plan management system	Effective record keeping of all building plans and related documents linked to GIS	350,000	Manual approval and filing system of building plans, inspections	Source specifications. Supply Chain office advertise	0	Supply Chain office to Appoint service provider. Obtain operating license. Install	350,000	Link programme with the GIS	0	Operations and maintenance of system.	0

Priority Area	Strategic Objective	KPI Indicator	Annual Budget	Annual Baseline	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Outcome			Output Target	Budget	Output Target	Budget	Output Target	Budget	Output Target	Budget
							system					
KPA 2 : LOCAL ECONOMIC DEVELOPMENT												
LED Local Economic Development	Local Economic Development	Implement the 2013/14 LED Strategy Review the CALM LED Strategy for 2014/15 <ul style="list-style-type: none"> To implement the municipal LED Strategy by facilitating public participation and obtain support from organized business and organizations. Facilitate workshops and training. Enforce implementation of CSI by mines. Improved local economic opportunities. Explore opportunities for job creation. To bring together government and private sector 	200,000	LED Strategy	Implementation of LED Strategy	50,000	Implementation of LED Strategy	50,000	Implementation of LED Strategy	50,000	Review LED Strategy for 2014/15	50,000
LED	Investment promotion policy	Investment opportunities promoted Increased investment in the municipal area.	200,000	No investment promotion policy.	Appoint service provider	0	Receive policy, pay service provider	200,000			Implement policy	0
LED	Furniture and coffin production projects	Carolina, Tjakastad, Mayflower, Glenmore	800,000	Number of existing small-scale projects Three	Identify existing projects Collect all relevant data	10,000	Training of beneficiaries in production and business	20,000	Provide relevant required items for start-up such as	R1M	Continued support	270,000

Priority Area	Strategic Objective	KPI Indicator	Annual Budget	Annual Baseline	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Outcome			Output Target	Budget	Output Target	Budget	Output Target	Budget	Output Target	Budget
				small scale industrial parks	Establish needs		skills.		equipment			
LED	Agriculture Promote cooperatives to secondary status	Identify existing broiler projects in Kromdraai, Ekulindeni and Empuluzi. to support and promote to become sustainable	300,000	Existing small-scale broiler projects	Identify existing projects Collect all relevant data Establish needs	10,000	Training of beneficiaries in production and business skills. Provide relevant required items for start-up such as equipment, feed, chicks	200,000	Continued support: Advice Purchase Chicks, feed	50,000	Continued support: Advice; Purchase Chicks, feed	40,000
LED	Renovation, upgrading and marketing of the Manzana Cultural Centre . Revive the arts gallery. Park with picnic facilities in surrounding area.	Fully functional multi-purpose cultural centre with regular cultural activities.	500,000 Source funding from private sector and Provincial dept of Arts and Culture	Manzana Cultural Centre	Determine status quo. Develop a Business Plan		Source funding		Implementation	500,000		
KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
IDP Integrated Development Planning	Integrated Development Plan	Co-ordinated implementation of projects in the municipal area. Buy-in from stakeholders and ownership of projects.	300,000	To review the Integrated Management plan for the municipality	Consultation Rep Forum meetings and printing	75,000	Consultation Rep Forum meetings and printing	75,000	Consultation Rep Forum meetings and printing	75,000	Consultation Rep Forum meetings and printing	75,000
KPA 4: MUNICIPAL AND INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION												
Empowerment of personnel	Skills development and training. Mentoring and coaching.	Increased performance	R0	10 Permanent 1 Intern	3		3		2		2	
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT												
Proper management of the departmental finance	Manage departmental finance in line with the Budget	<ul style="list-style-type: none"> Controlling the Expenditure – departmental budget. Creating Income 	Departmental Budget	Clean Audit 100 Building Plans per annum 48 Business Premises inspected	Manage the funds 10 Building Plans approved 12 business Premises inspected and approved		Manage the funds 10 Building Plans approved 12 Business Premises inspected and approved		Manage the funds 10 Building Plans approved 12 Business Premises inspected and approved		Manage the funds 10 Building Plans approved 12 Business Premises inspected	

Priority Area	Strategic Objective	KPI Indicator	Annual Budget	Annual Baseline	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Outcome			Output Target	Budget	Output Target	Budget	Output Target	Budget	Output Target	Budget
		through Building Plan Fees and Subdivisions, Consolidations, Rezoning . • Disposal of Sites	R0	and approved Vacant sites in CALM							and approved	

DIRECTORATE: INTERNAL AUDIT

Priority Area	Strategic Objective	KPI Indicator		Annual Budget	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Outcome	Impact				Output Target	Budget	Output Target	Budget	Output Target	Budget	Output Target	Budget
KPA 1: BASIC SERVICE DELIVERY														
Quality clean water	Assurance Services of equitable provision of water	Results of Assessment of evidence supporting water service management	Management advisory service on improvements and compliance	R620 000	for three internal auditors will be necessary to accomplish these assertions	Clients' departmental quarterly reports	Departmental plans should be wholly covered on audit scope	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets
Sanitation	Assurance Services of installation of integrated and sustainable sanitation to households and public toilets	Results of Assessment of evidence supporting sanitation provision and sustainability thereof i.e. rehabilitation of VIP toilets and public toiletles	Management advisory service on improvements and compliance			Clients' departmental quarterly reports	Departmental plans should be wholly covered on audit scope	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets
Health and Hygiene	Assurance Services of community, businesses and municipality's cleanliness	Results of Assessment of evidence supporting cleaning services, waste collections, adequate waste storage, and investigation and collections of illegal dumps	Management advisory service on improvements and compliance			Clients' departmental quarterly reports	Departmental plans should be wholly covered on audit scope	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets

Priority Area	Strategic Objective	KPI Indicator		Annual Budget	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Outcome	Impact				Output Target	Budget	Output Target	Budget	Output Target	Budget	Output Target	Budget
	Assurance Services on environmental health	Results of Assessment of evidence supporting environmental health on air pollution and waste impacts	Management advisory service on improvements and compliance		Clients' departmental quarterly reports	Departmental plans should be wholly covered on audit scope	Per Clients' departmental quarterly targets	R155 00	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000
Infrastructure and community development	Assurance Services on equitable distribution of infrastructural projects	Results of Assessment of evidence supporting infrastructural projects per ward in accordance with communities' needs	Management advisory service on improvements and compliance		Clients' departmental quarterly reports	Departmental plans should be wholly covered on audit scope	Per Clients' departmental quarterly targets	R155 00	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000
	Assurance Services of effective community development services and information provision	Results of Assessment of evidence supporting community development facilities and access to adequate library services	Management advisory service on improvements and compliance		Clients' departmental quarterly reports	Departmental plans should be wholly covered on audit scope	Per Clients' departmental quarterly targets	R155 00	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	

Priority Area	Strategic Objective	KPI Indicator		Annual Budget	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Outcome	Impact				Output Target	Budget	Output Target	Budget	Output Target	Budget	Output Target	Budget
Fire and rescue	Assurance Services of quick turn-up time on emergency attendance and accessibility by all CALM citizens	Results of Assessment of evidence supporting turn-up times to emergency calls and adequacy of plans to decentralize the service	Management advisory service on improvements and compliance		Clients' departmental quarterly reports	Departmental plans should be wholly covered on audit scope	Per Clients' departmental quarterly targets	R155 00	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	
	Assurance Services of adequate disaster management plans	Results of Assessment of evidence supporting plans to respond to disastrous events i.e. resources, MOUs with stakeholders	Management advisory service on improvements and compliance		Clients' departmental quarterly reports	Departmental plans should be wholly covered on audit scope	Per Clients' departmental quarterly targets	R155 00	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	
Public facilities	Assurance Services on adequate maintenance of public facilities and accessibility by all CALM citizens (i.e., halls, stadium etc)	Results of Assessment of evidence supporting accessible to useful public facilities i.e. community halls, and public offices	Management advisory service on improvements and compliance		Clients' departmental quarterly reports	Departmental plans should be wholly covered on audit scope	Per Clients' departmental quarterly targets	R155 00	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000	Per Clients' departmental quarterly targets	R155 000
KPA 2: LOCAL ECONOMIC DEVELOPMENT														

Priority Area	Strategic Objective	KPI Indicator		Annual Budget	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Outcome	Impact				Output Target	Budget	Output Target	Budget	Output Target	Budget	Output Target	Budget
Enhancement of employability of graduates	Skills development	Production of at least 4 internal audit practitioners and recommend them for registration with the Institute of internal auditors	Employability of internal auditors and subsequently reduced no. of unemployed graduates in CALM	150 000	Produced 2 internal auditors in 2011/12	Produce 4 competent internal auditors in 2012/13	Interns should be able to conduct risk assessments and audit planning	R45 000	Interns should be able to execute audit assignments in accordance with audit programs	R45 000	Interns should be able to raise exceptions and compile exceptions report and audit files	R45 000	Interns should be able to conduct follow-up assignments and preliminary communications of audit results with their mentor	R45 000
LED projects	Assess existence and adequacy of LED projects	Results of assessment per LED project plan i.e. Timeframes, and existence	Economic growth, poverty alleviation and job opportunities etc management recommendations	R45 000	Audit of LED Strategy in 2010/11	LED strategy should be part of the audit plan approved by Accounting Officer and Audit Committee	To take place in one quarter Per Approved Audit Plan	R45 000	To take place in one quarter Per Approved Audit Plan	R45 000	To take place in one quarter Per Approved Audit Plan	R45 000	To take place in one quarter Per Approved Audit Plan	R45 000
KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Audit Committee effectiveness	To have an effective and functional audit committee	Reports of audit engagements timely furnished to audit committee and accounting officer	Audit committee advisory to accounting officer, management and council	R750 000	Quarterly reports discussed with political office bearers and physically presented to council	Minimum of 4 meetings	At least one meeting	R62 500	At least one meeting	R62 500	At least one meeting	R62 500	At least one meeting	R62 500
Legislations	Review compliance with applicable pieces of legislations per operation audited	Audit reports detailing inconsistencies and value add recommendations	Improved compliance and regular business operations	R350 000	Annual audit of compliance with DoRA, MSA, MFMA, MEMA etc	At least 10 Audit reports in which compliance issues shall be addressed	3 in first quarter	R87 500	2 Second quarter	R87 500	2 third quarter	R87 500	3 fourth quarter	R87 500
	Assessing existence and adequacy	Audit reports detailing shortfalls and	Value adding recommendations	R350 000	Approximately 50 Compliance	At least 40 Audit reports in which compliance	10 in first quarter	R87 500	10 in second quarter	R87 500	10 in third quarter	R87 500	10 Fourth quarter	R87 500

Priority Area	Strategic Objective	KPI Indicator		Annual Budget	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Outcome	Impact				Output Target	Budget	Output Target	Budget	Output Target	Budget	Output Target	Budget
	cy of by-laws and policies	inadequacies of by-laws, policies and service delivery chatters	Consulting in development of by-laws and policies		issues covered in revenue management audit, Water Supply, Performance Measurement	nce issues shall be addressed								
KPA 4: MUNICIPAL AND INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION														
Improved representation of previously disadvantaged individuals' employment. (PDI)	Recruitment of internal audit staff as regulated by the standards shall consider PDIs	Recruited internal audit staff transforms the audit fraternity which is predominantly male and white	Transformation and reduced inequalities consequential from the past	R713 000	Three black men and one lady	Appointment of 3 internal auditors of which majority should be females	3 Appointments	R713 000	---	---	----	----	----	----
Spearhead the establishment of municipal entity	Profitable functioning and trading of the Oshoek Cultural Village	Lodge establishment for provision of hospitality services (Consulting)	Employment opportunities for tourism industry Improved solvency and liquidity of the municipality	None	None from the unit	Building structures should be functional and basic service be installed (i.e. Running water, electricity and sanitation)	Completions of structural buildings and refurbishments	----	Completions of structural buildings and refurbishments	----	Completions of structural buildings and refurbishments	----	Connections of services	----
Spearhead the establishment of municipal entity			Becoming preferred area of resident consequently higher number of rates and services payers											
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT														

Priority Area	Strategic Objective	KPI Indicator		Annual Budget	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Outcome	Impact				Output Target	Budget	Output Target	Budget	Output Target	Budget	Output Target	Budget
Sound financial management	Financials management in accordance with MFMA, fairly and effectively	Spending patterns with budget provision	Smooth operation of the unit and avoid scope limitations	R4 022 950	R3 700 000	100% Spending as necessary	25%	R1 005 738	50%	R2 011 475	75%	R3 017 213	100%	R4 022 950

OFFICE OF THE MUNICIPAL MANAGER : RISK MANAGEMENT UNIT

Priority Area	Strategy Objective	KPI Indicator Outcome / Impact	Annual Budget (R)	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
						Budget	Target	Budget	Target	Budget	Target	Budget	Target
KPA : GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
Risk Committee Operations	Effective and efficient enterprise risk management function	Co-ordinate Risk Management Committee meetings	120000	Co-ordinate 4 risk management committees and act as a secretarial of those meeting	4 Risk Management Committee Meetings	30000	1 st meeting	30000	2 nd meeting	10000	3 rd meeting	30000	4 th meeting
Risk Management Regulations	Effective and efficient enterprise risk management function	Review Risk Management Committee Charter	10000	Review the risk management committee charter on yearly basis	Approved Risk Management Committee Charter	10000	Review, presenting it to the risk management committee	-	Implementation	-	Implementation	-	Implementation
		Risk Management Policy	50000	Review the risk management policy on yearly basis	Approved Risk Management Policy	-	Re-send the policy for approval by council	-	Communication of the policy to employee and implementation	-	Communication of the policy to employee and implementation	-	Communication of the policy to employee and implementation
	Establishment of fraud management framework	Review Fraud Prevention Policy and strategy		Review fraud prevention policy and strategy on yearly basis	Approved Fraud Prevention Policy and strategy		Re-send the policy for approval by council	20000	Communication of the policy to employee and implementation	15000	Communication of the policy to employee and implementation	15000	Communication of the policy to employee and implementation
	Effective and efficient enterprise risk management function	Risk Management Strategy (Risk Identification and Assessment Methodologies, Risk Appetite and Tolerance)		Review of the risk management strategy on yearly basis	Approved Risk Management Strategy	-	Re-send the policy for approval by council		Communication of the policy to employee and implementation		Communication of the policy to employee and implementation		Communication of the policy to employee and implementation
KPA: FINANCIAL VIABILITY													
	Contribute in safeguarding of municipal assets	Loss Control Policy		Review of the loss control policy	Approved Loss Control Policy	-	Re-send the policy for approval by council		Communication of the policy to employee and implementation		Communication of the policy to employee and implementation		Communication of the policy to employee and implementation

Priority Area	Strategy Objective	KPI Indicator Outcome / Impact	Annual Budget (R)	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
						Budget	Target	Budget	Target	Budget	Target	Budget	Target
KPA : INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION													
	Effective and efficient enterprise risk management function	Appointment of Risk Champions	12000	Appointment of Risk Champions and meet on quarterly basis	Appointed Risk Champions	3000	1 st meeting	3000	2 nd meeting	3000	3 rd meeting	3000	4 th meeting
		Develop key performance indicators to measure the effectiveness of the risk management activity		Preparing of the annual risk management plan	Annual Risk Management Plans		Implementation		Implementation		Implementation		Implementation
		Detailed risk management implementation plan		Preparing of the annual risk management plan	An approved Risk Management Implementation Plan for the 2013/2014 Financial Year		Implementation		Implementation		Implementation		Implementation
Delegations	Performing ADHOC assignment	Responsibilities		Formal delegation of responsibilities to existing personnel	Formal delegation of responsibilities to existing personnel		Implementing and reporting as required		Implementing and reporting as required		Implementing and reporting as required		Implementing and reporting as required
		Structures		Appointment of the approved budgeted vacant positions and structures	Appointment of the approved vacant positions and structures		Request for the appointment with HR		-		-		-
KPA: LOCAL ECONOMIC DEVELOPMENT													
Risk Orientation & Training	Mitigating risk and fraud at all levels	Risk Orientation, Training and Fraud Awareness	50000	Coordination of the Orientation risk awareness program developed for	Orientation on risk awareness program developed for new employees	14000	Orientation on risk awareness program developed for new employees Training	12000	Orientation on risk awareness program developed for new employees Training	12000	Orientation on risk awareness program developed for new employees Training	12000	Orientation on risk awareness program developed for new employees

Priority Area	Strategy Objective	KPI Indicator Outcome / Impact	Annual Budget (R)	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
						Budget	Target	Budget	Target	Budget	Target	Budget	Target
				new employees Training plan for existing employees Training for risk champions Training for all Managers and Councilors	Training plan for existing employees Training for risk champions Training for all Managers and Councilors		plan for existing employees		for risk champions		for all Managers and Councilors		
	Contribute in safeguarding of municipal assets	Loss Control Policy		Review of the loss control policy	Approved Loss Control Policy	-	Re-send the policy for approval by council		Communication of the policy to employee and implementation		Communication of the policy to employee and implementation		Communication of the policy to employee and implementation
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
Risk Assessment	Mitigating risk and fraud at all levels	Annual strategic risk assessment	-	Preparing the annual strategic risk report	Approved strategic risk register	-	Risk Follow up	-	Risk follow up	-	Risk follow up	-	Performing and approval of the annual strategic risk assessment
		Operational risk assessments as per department <ul style="list-style-type: none"> Fraud risk assessment 23 August -14 September Community Services – 14 August -30 September Finance department 01 – 30 October 		Preparing and co-ordinating all departmental operational risk register	Approved operational risk registers (as per the agreed cycle)	-	-Fraud Risk assessment - community services risk assessment	-	Finance, technical and corporate services operational risk assessment	-	Public safety, PED and PMU operational risk assessment	-	Monitoring / reviewing of risk in water catchments, purification plant, reservoir and community area

Priority Area	Strategy Objective	KPI Indicator Outcome / Impact	Annual Budget (R)	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
						Budget	Target	Budget	Target	Budget	Target	Budget	Target
		Technical Department 01 -29 November • Corporate services 02-30 December • Public safety 06-28 January • PED 28 January -18 February PMU 19 February - 14 March (including project risk management)											
Risk response	Mitigating risk and fraud at all levels	Drafting of action plans for all gaps identified for the top risks	-	Assist management in drafting of action plans	Action plans implemented per agreed milestone	-	Monitoring the implementation of action plans	-	Monitoring the implementation of action plans	-	Monitoring the implementation of action plans	-	Monitoring the implementation of action plans
Risk response	Mitigating risk and fraud at all levels	Assign assurance providers for the top identified risks	-	Assist management in identifying the risk from assurance providers	Combined assurance plan	-	Monitoring the implementation	-	Monitoring the implementation	-	Monitoring the implementation	-	Monitoring the implementation
Risk monitoring	Effective and efficient risk monitoring	Evaluate the effectiveness of mitigating strategies 2013/2014	-	Assist Implementation of the mitigating measures and fraud prevention policy	Report to the Accounting Officer on the status of implementing • Mitigation measures • Fraud prevention policy	-	Monitoring the Implementation of the mitigating measures and fraud prevention policy	-	Monitoring the Implementation of the mitigating measures and fraud prevention policy	-	Monitoring the Implementation of the mitigating measures and fraud prevention policy	-	Monitoring the Implementation of the mitigating measures and fraud prevention policy

Priority Area	Strategy Objective	KPI Indicator Outcome / Impact	Annual Budget (R)	Annual Baseline	Annual Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
						Budget	Target	Budget	Target	Budget	Target	Budget	Target
		Evaluate the effectiveness of the implementation of the fraud prevention policy	-										
		Review any material findings and recommendations by assurance providers on the system of risk	-	Monitoring any material changes to the risk profile of the institute	Report to the Accounting Officer any material changes to the risk profile of the Institution	-	Monitoring any material changes to the risk profile of the institute	-	Monitoring any material changes to the risk profile of the institute	-	Monitoring any material changes to the risk profile of the institute	-	Monitoring any material changes to the risk profile of the institute
Risk Management reporting	Effective and efficient risk management reporting	Monthly reports	-	Preparation of monthly reports	Report on monthly progress	-	Report on monthly progress	-	Report on monthly progress	-	Report on monthly progress	-	Report on monthly progress
		Quarterly	-	Preparation of quarterly reports	Report on quarterly risk management progress	-	Report on quarterly risk management	-	Report on quarterly risk management	-	Report on quarterly risk management	-	Report on quarterly risk management
		Annual report disclosure		Preparation of annual report	Disclosure in annual risk management implementation plan approved by the Accounting Officer		-		-			-	Disclosure in annual risk management implementation plan approved by the Accounting Officer

DIRECTORATE PUBLIC SAFETY

Priority Area	Strategy Objective	KPI Indicator	Annual Budget	Annual Baseline	Annual Target 2013/14	Quarter 1	
1. KPA: BASIC SERVICE DELIVERY							
FIRE AND RESCUE	Respond to all incidents reported	Manage all reported incidents	R583 000	1576 fire calls	Respond to all reported incidents within the recommended time of 5-15minutes	Incidents management	Inc
SAFETY AND SECURITY	Safeguard council assets and properties	Deploy security guards to various poll stations	R6.5m	148 security guards	Deployment of 173 security guards	173 security guards	
	Control entrance access	Introduce electronic entrance monitoring	R737 000	Limited entrance control	One entrance to Head Office		
	Illegal sand mining	Identify affected area and land ownership as well	R0.0	No control	Limit illegal sand mining	Site monitoring	
TRAFFIC Road safety management	Visible policing and law enforcement	Different law enforcement activities	R461 898	1710 summonses	5400 summonses	1350 summonses	
Traffic calming measures	Identify hot spots at strategic places	Suitable traffic control measures to reduce vehicle speeding	R473 000	8 speed humps	12 speed humps	3 speed humps	
Taxi facilities	Identify suitable sites for Taxi Ranks	Minimise transport challenges		Non existing	Finalise sites at Ekulindeni and Oshoek	Site stakeholder meeting Oshoek	r
Signage and street naming	Maintain signs, road markings and street names	Adequate signage	R170 000	Carolina only	16 street names	4	
Registering Authority	Process vehicle registrations and licensing through the eNatis system	Minimise fraud and corruptions	R219182	eNatis practice	Successfully registration and licensing of all received applications through eNatis	Registration and licensing	
	Learners test	Test two days a week		2496 tests	3000 tests	750 tests	
	Drivers licenses	Test four days a week		1440 tests	2000 tests	500 tests	
KPA 2 : GOOD GVERNANCE AND PUBLIC PARTICIPATION							
COMMUNITY SAFETY FORUM	Coordinate and facilitate community safety forums	Number of CSF meetings coordinated	R0.0	1 meeting per quarter	4 meetings	1 CSF meeting	
LOCAL TRANSPORT FORUM	Coordinate and facilitate Local Transport Forums	Number of LTF meetings coordinated	R8000	1 meeting per quarter	4 meetings	1 LTF meeting	
Priority Area	Strategy Objective	KPI Indicator	Annual Budget	Annual Baseline	Annual Target 2013/14	Quarter 1	
DISASTER MANAGEMENT	Minimise disaster related issues	Review hazards and risk to all wards.	R676 553	Review Disaster Plan	Review Disaster Plan	Risk assessment	D
KPA 3 : LOCAL ECONOMIC DEVELOPMENT							
Support local economic initiatives	Ensure support of local suppliers through supply chain process	Number of projects through which LED is promoted	R0.0	10% local suppliers	80% procurement to be local suppliers procurement as done through MFMA	Procurement as per the MFMA	P
KPA 4 : FINANCIAL VIABILITY AND MANAGEMENT							
Manage finances of the Directorate as per the MFMA	Procurement processes as per MFMA	Procurement according to the provision of SDBIP	R0.0	Procurement as per the MFMA	Manage and spend budget as planned and according to the provision of the MFMA	Budget management	B

DIRECTORATE COMMUNITY SERVICES

Priority Area	Strategic Objective	KPI Indicator	Budget	Baseline	Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
						Budget	Output	Budget	Output	Budget	Output	Budget	Output
KPA1: BASIC SERVICE DELIVERY													
Waste Management	Provide Refuse removal services per week	Households refuse bins/bags removed weekly	R5 083 030	Weekly removal for 12853 refuse bins/bags	12853 h/h per week	R355 008 (operational) R3 600 000 (Capital)	12853 h/h per week	R355 008 (operational)	12853 h/h per week	R355 008 (operational)	12853 h/h per week	R355 008 (operational)	12853 h/h per week
	Cleaning of main and adjacent streets in business centres daily	Clean streets in business centres			4,2km of streets in business centres swept daily		4,2km of streets in business centres swept daily		4,2km of streets in business centres swept daily		4,2km of streets in business centres swept daily		4,2km of streets in business centres swept daily
	Control of illegal dumping	Number of signposts erected; Reduction of illegal dumping			20		5		5		5		5
Library	Provide library services daily	Library services available daily from 09h00 to 18h00 from Monday to Friday, and Saturdays from 09h00 to 12h00		Service available daily from 08h00 to 16h00	Service available for the extended period		Service available for the extended period		Service available for the extended period		Service available for the extended period		Service available for the extended period
	Promotion of culture of reading in the community and schools	Number of walk to your library campaigns conducted		8 campaigns conducted	72 walk to your library campaigns conducted		18 Campaigns conducted		18 Campaigns conducted		18 Campaigns conducted		18 Campaigns conducted
		Number of library week event celebrated		6 Libraries celebrate library week	6 Libraries celebrate library week		0		0		All six libraries celebrate the library week		0
KPA 2: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION													
Cemeteries and Parks	Maintenance of halls, parks, recreational facilities	Number of halls, parks and recreational facilities maintained	Cemetery- R2 204 107 Parks - R1 010 079	15	15	R101 026 (Operational) R1 800 000 (Capital) R450 000 Parks-Capital	15	R101 026 (Operational)	15	R101 026 (Operational)	15	R101 026 (Operational)	15

Priority Area	Strategic Objective	KPI Indicator	Budget	Baseline	Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
						Budget	Output	Budget	Output	Budget	Output	Budget	Output
	Maintenance of Carolina airstrip	License certificate from Civil Aviation Authority		3	3		1		1		1		0
Cemeteries and Parks	Provision of graves in municipal cemeteries	Number of available graves for burial		Per need (Average of 60 per month)	Per need (Average of 60 per month)		Per need		Per need		Per need		Per need
	Maintenance of municipal cemeteries	Number of cemeteries maintained		6	6		6		6		6		6
	Provision of basic funeral service for paupers	Number of pauper burials		Per need	All qualifying paupers		Per need		Per need		Per need		Per need
Disposal sites	Maintenance of disposal sites	Number of disposal sites maintained		5 weekly	5 weekly		5 weekly		5 weekly		5 weekly		5 weekly
Environmental Health Services	Enforcement of environmental health	Number of inspections conducted	None	60	240	None	60	None	60	None	60	None	60
	Conducting of environmental health awareness	Number of environmental health awareness campaigns conducted	R15 750	0	2		0	R7 875	1	R7 875	1		0
KPA3: LOCAL ECONOMIC DEVELOPMENT													
Creation of job opportunities	Creation of jobs through provision of Basic Service Delivery	Number of jobs created	0	-	10		10		0		0		0
	Job creation through outsourced services	Number of jobs created	0	6	8		8		0		0		0
Learnership and bursaries	Involve students and volunteers	No of students and volunteers involved	0	2	10		0		10		0		0

Priority Area	Strategic Objective	KPI Indicator	Budget	Baseline	Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
						Budget	Output	Budget	Output	Budget	Output	Budget	Output
KPA 4: ENSURE MUNICIPAL FINANCIAL VIABILITY													
Finance management	Proper management of the departmental finance	Manage departmental finance in line with the Budget	0	-	Sound financial management		Sound financial management		Sound financial management		Sound financial management	-	Sound financial management
	Tariffs review for rendered services	Reviewed tariffs for services rendered	0	-	Reviewed tariffs annually		-		-		Review of tariffs		-
Culture, Sport and Recreation	Promotion of sports and culture development in the community	Number of sports and cultural events organised for the community	R157 500	2	3	R78 750	1	R39 375	1	R39 375	1		0
Culture, Sport and Recreation		Number of coaching clinics organized		4	6		2		2		2		0
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
HIV/AIDS coordination	Provision of support to HIV/AIDS supporting groups	Number of HIV/AIDS groups supported		6	6		6		6		6		6
		Number of health care teams supported		8	8		8		8		8		8
HIV/AIDS coordination	Mobilisation of other stakeholders to help in the fight against AIDS	Number of organizations providing support in the fight against AIDS		1	2		0		1		0		1
	Facilitation of the HIV/Aids awareness for employees with HR	Number of HIV/Aids workshops facilitated	R210 000	12	16	R52 500 (Operational)	4	R52 500 Operational	4	R52 500 Operational	4	R52 500 Operational	4
Air Quality Management	HIV/AIDS awareness campaigns	The number of awareness campaigns conducted in the community		12	12		3		3		3		3
	World aids day commemoration	World Aids Day commemorated		1	1		0		1		0		0
	Conducting awareness, educating students and community	Number of awareness conducted		3	5		2		1		1		1

Priority Area	Strategic Objective	KPI Indicator	Budget	Baseline	Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
						Budget	Output	Budget	Output	Budget	Output	Budget	Output
Air Quality Management	on the mitigation of environmental pollution	Number of trees planted		8	25		25		0		0		0
		Number of campaigns on climate change conducted		5	5		2		2		1		0
	Support to sports and culture bodies	Number of sports and culture bodies supported		3	3		3		3		3		3
	Mobilisation of other stakeholders and business to support sports	Number of organisations and businesses supporting sports and culture		1	2		2		2		2		0
Youth, Women and people with disability	Support programmes for persons with <u>disability</u>	Number of disability groups supported	R210 000	6	12	R52 550	12	R52 550	12	R52 550	12	R52 550	12
		Number of "Day for the Disabled" celebrated		1	1		0		1		0		0
	Support <u>women empowerment</u> programs	Number of woman empowerment groups supported			6		6		6		6		6
	Support <u>Youth empowerment</u> programs	Number of youth empowerment groups supported		7	10		10		10		10		10
	Provide support to youth development centres	Provide support to 7 youth development centres		7	7		7		7		7		7
	Provide support to youth programmes from sector departments	100% support to youth development programmes from other departments		4	All programmes supported		As they are received		As they are received		As they are received		As they are received
Moral Regeneration	Provision of support to the Moral Regeneration Movement	Number of Moral Regeneration Movement structures supported	R100 000	3	3	R25 000	1	R25 000	1	R25 000	1	R25 000	0

Priority Area	Strategic Objective	KPI Indicator	Budget	Baseline	Target 2013/14	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
						Budget	Output	Budget	Output	Budget	Output	Budget	Output
Moral Regeneration		Number of "Back to School" campaigns conducted		6	12		0		0		12		0

		Number of Ant-i drug Abuse and teenage Pregnancy campaigns conducted		4	16		4		4		4		4
		Commemoration of the "16 Days of Activism for No Violence Against Women and Children"		1	6		-		6 Successfully coordinated campaigns		-		-

